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**THE CANADIAN BANK
OF COMMERCE**

ANNUAL REPORT

TO WHICH IS APPENDED

**A REVIEW OF BUSINESS CONDITIONS
DURING THE YEAR 1913**

29th NOVEMBER. 1913

COMMERCE

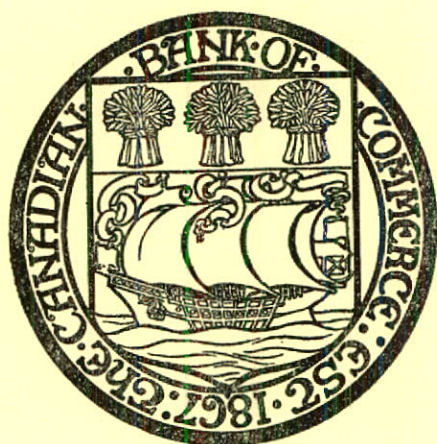
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McGILL UNIVERSITY

THE CANADIAN BANK
OF COMMERCE

ANNUAL REPORT

29TH NOVEMBER, 1913



THE CANADIAN BANK OF COMMERCE

CAPITAL PAID-UP - - - - - \$15,000,000
REST - - - - - 13,500,000

DIRECTORS:

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L. - - -	PRESIDENT
Z. A. LASH, Esq., K.C., LL.D. - - - - -	VICE-PRESIDENT
HON GEO. A. COX	G. F. GALT, Esq.
JOHN HOSKIN, Esq., K.C., LL.D.	ALEXANDER LAIRD, Esq.
J. W. FLAVELLE, Esq., LL.D.	WM. FARWELL, Esq., D.C.L.
A. KINGMAN, Esq.	GARDNER STEVENS, Esq.
HON. SIR LYMAN MELVIN JONES	A. C. FLUMERFELT, Esq.
HON. W. C. EDWARDS	GEO. G. FOSTER, Esq., K.C.
E. R. WOOD, Esq.	CHAS. COLBY, Esq., M.A., Ph.D.
ROBERT STUART, Esq.	G. W. ALLAN, Esq.
SIR JOHN MORISON GIBSON,	H. J. FULLER, Esq.
K.C.M.G., K.C., LL.D.	F. P. JONES, Esq.

LONDON BOARD:

WILLIAM C. WARD, Esq., Chairman
HENRY J. GARDINER, Esq.

HALIFAX BOARD:

H. N. WALLACE, Esq., Chairman
C. W. ANDERSON, Esq. W. J. G. THOMSON, Esq.
JOHN MACNAB, Esq.

CHARLOTTETOWN BOARD:

WM. A. WEEKS, Esq., Chairman
F. R. HEARTZ, Esq. A. P. PROWSE, Esq.

SHERBROOKE BOARD:

WM. FARWELL, Esq., D.C.L., Chairman
GARDNER STEVENS, Esq. J. S. MITCHELL, Esq.
C. H. KATHAN, Esq. F. N. MCCREA, Esq., M.P.
B. C. HOWARD, Esq.



THE CANADIAN BANK OF COMMERCE

HEAD OFFICE: TORONTO

PRESIDENT - - - - Sir Edmund Walker, C.V.O., LL.D., D.C.L.

GENERAL MANAGER - - - - Alexander Laird

ASSISTANT GENERAL MANAGER - - - - John Aird

SUPERINTENDENT OF BRANCHES - - - A. H. Ireland

SUPERINTENDENT OF PACIFIC COAST BRANCHES - - H. H. Morris

SUPERINTENDENT OF CENTRAL WESTERN BRANCHES - V. C. Brown

MANAGER-IN-CHIEF, EASTERN TOWNSHIPS DIVISION - J. Mackinnon

CHIEF INSPECTOR - - - - R. A. Rumsey

ACTING INSPECTOR - - - E. L. Stewart Patterson

INSPECTORS

Wm. Hogg, W. Spier, F. B. Francis, C. L. Foster

ASSISTANT INSPECTORS

J. B. Corbet, J. A. C. Kemp, E. E. Henderson, G. G. Laird,
B. P. Alley, L. F. Cross, E. C. Grundy

AUDITOR - - - - W. P. Rapley

SUPERVISOR OF BANKING ACCOUNTS AND EXCHANGES - T. F. Aspden

SUPERVISOR OF BANK PREMISES - - - - Duncan Donald

SECRETARY - - - - A. St. L. Trigge

BRANCHES

BRITISH COLUMBIA AND YUKON—

CHILLIWACK	K. V. MUNRO	Manager
COURTENAY	W. S. LONGHURST	Act. Mgr.
CRANBROOK	J. M. CHRISTIE	Manager
CRESTON	P. B. FOWLER	"
CUMBERLAND	W. T. WHITE	"
DAWSON, YUKON	H. C. MORRIS	"
DUNCAN	E. W. CARR HILTON	"
FERNIE	L. A. S. DACK	"
GOLDEN	N. M. FOULKES	"
GRAND FORKS	C. H. NILES	"
GREENWOOD	A. H. MARCON	"
KAMLOOPS	G. S. HOLT	"
KELOWNA	H. G. PANGMAN	"
KEREMEOS	R. H. CARMICHAEL	"
LADYSMITH	G. A. BONNALLIE	"
MISSION CITY	W. H. MATHEWSON	"
NAKUSP	F. W. HEATHCOTE	"
NANAIMO	E. H. BIRD	"
NELSON	J. S. MUNRO	"
NEW WESTMINSTER	H. R. DAVIDSON	"
PARKSVILLE	H. T. NEWMARCH	"
PENTICTON	THOMAS ANDREWS	"
PHOENIX	J. G. MULLEN	"
PRINCE RUPERT	L. M. DE GEX	"
PRINCETON	J. D. ANDRAS	"
REVELSTOKE	F. M. GIBSON	"
ROCK CREEK	A. H. MARCON	"
SALMON ARM	A. J. MARLOW	"
SOUTH HILL	P. S. WOOD	"
SUMMERLAND	F. F. HANINGTON	"
VANCOUVER	WILLIAM MURRAY	"
Do. COMMERCIAL DRIVE	M. D. HAMILTON	Asst. Mgr.
Do. EAST	W. H. JAMES	Manager
Do. FAIRVIEW	C. W. DURRANT	"
Do. HASTINGS AND CAMBIE	M. NICHOLSON	"
Do. KITSILANO	W. H. HARGRAVE	"
Do. MOUNT PLEASANT	P. GOMERY	"
Do. NORTH VANCOUVER	HUBERT HAINES	"
Do. POWELL ST.	J. A. FORSTER	"
VERNON, B.C.	H. B. GORDON	Act. Mgr.
VICTORIA, B.C.	J. I. E. CORBET	Manager
Do. NORTH	F. L. CRAWFORD	"
Do. OAK BAY AVE.	R. W. H. KING	Asst. Mgr.
Do. PANDORA AND COOK	H. R. BEAVEN	Manager
WHITE HORSE, YUKON	A. B. MORKILL	Act. Mgr.
	M. LAMONT	Act. Mgr.
	D. ROSS	Manager

SUB-AGENCY

COMOX	Sub-Agency to Cumberland	Open for business Tuesday
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BRANCHES—Continued

WESTERN PROVINCES—

ATHABASKA LANDING, ALTA.	H. H. LOWE	Manager
BASSANO, ALTA.	H. C. STRANGE	"
BAWLf, ALTA.	M. R. COMPLIN	"
BENGOUGH, SASK.	J. E. GRASETT	"
BIGGAR, SASK.	J. A. CLARK	"
BLAINE LAKE, SASK.	H. S. J. OATS	"
BRANDON, MAN.	A. MAYBEE	"
BRIERCREST, SASK.	M. MACPHERSON	"
BRODERICK, SASK.	G. W. SUTHERLAND	"
CALGARY, ALTA.	C. G. K. NOURSE	"
Do. EAST	W. L. GIBSON	Asst. Mgr.
Do. FIRST ST. WEST	W. H. MARTIN	Act. Mgr.
Do. MOUNT ROYAL	W. D. LAWSON	Manager
CANORA, SASK.	C. B. F. JONES	"
CARMAN, MAN.	A. L. JENSEN	"
CARMANGAY, ALTA.	M. St. C. McLEAN	"
CHAMPION, ALTA.	W. G. HAMILTON	"
CLARESHOLM, ALTA.	E. G. OGILVIE	"
COLEMAN, ALTA.	D. CLARKSON	"
CROSSFIELD, ALTA.	WM. BULLOCK	"
CUDWORTH, SASK.	S. H. BRAY	"
DAUPHIN, MAN.	G. L. NASH	"
DELISLE, SASK.	E. R. JARVIS	"
DRINKWATER, SASK.	J. O. MACCALLUM	"
EDAM, SASK.	K. W. REIKIE	"
EDMONTON, ALTA.	A. R. GRAHAM	"
Do. STRATHCONA	T. M. TURNBULL	"
ELBOW, SASK.	G. W. MARRIOTT	"
ELFROS, SASK.	R. P. MORRISON	"
ELGIN, MAN.	H. HAMMER	"
ELKHORN, MAN.	W. C. HOPKINS	"
GILBERT PLAINS, MAN.	R. H. BROTHERHOOD	"
GLEICHEN, ALTA.	C. B. NARRAWAY	"
GRANDVIEW, MAN.	JAMES CAMERON	"
GRANUM, ALTA.	A. W. CHAMBERS	"
GROUARD, ALTA.	C. A. MERCER	"
HANNA, ALTA.	H. S. BRUCE	"
HARDISTY, ALTA.	S. H. CURRAN	"
HAWARDEN, SASK.	W. R. ALGER	"
HERBERT, SASK.	F. S. BEATTIE	"
HIGHLAND, ALTA.	R. N. SHAW	"
HIGH RIVER, ALTA.	J. STILL	"
HUMBOLDT, SASK.	A. G. VERCHÈRE	"
INNISFAIL, ALTA.	D. I. FORBES	"
INNISFREE, ALTA.	F. J. MACCOUN	"
KAMSACK, SASK.	F. E. HAWLEY	"
KERROBERT, SASK.	R. W. WINFIELD	"
KINCAID, SASK.	W. D. ELLIOT	"
KINDERSLEY, SASK.	E. O. CLEMENT	Pro Mgr.
KITSCOTY, ALTA.	W. V. GORDON	Manager
LAIRD, SASK.	W. STUCKEY	Pro Mgr.
	R. H. WILSON	Pro Mgr.

BRANCHES—Continued

LAKE SASKATOON, ALTA.	C. CADY	Manager
LANGHAM, SASK.	A. HAMILTON	"
LANIGAN, SASK.	W. E. D. FARMER	"
LASHBURN, SASK.	G. E. CLARKE	"
LETHBRIDGE, ALTA.	R. T. BRYMNER	"
LEWVAN, SASK.	T. WINSBY	"
LLOYDMINSTER, SASK.	A. J. MAYNARD	"
LOUGHEED, ALTA.	H. R. MAIN	"
MACLEOD, ALTA.	A. H. ALLEN	"
MARCELIN, SASK.	J. B. ROBINSON	"
MEDICINE HAT, ALTA.	W. G. LYNCH	"
MELFORT, SASK.	H. J. NEALE	"
MELVILLE, SASK.	A. W. WHITE	"
MILESTONE, SASK.	W. HASTIE	"
MILK RIVER, ALTA.	J. MCK. KEY	"
MIRROR, ALTA.	T. S. LITTLE	"
MONARCH, ALTA.	L. CUTHBERT	"
MONITOR, ALTA.	J. B. BELL	Pro Mgr.
MOOSEJAW, SASK.	H. M. STEWART	Manager
MOOSOMIN, SASK.	B. L. BROWN	"
MORSE, SASK.	F. H. ADAMSON	"
NANTON, ALTA.	R. MORRIS SAUNDERS	"
NEEPAWA, MAN.	D. H. GORDON	"
NEW DAYTON, ALTA.	M. L. GORDON	"
NOKOMIS, SASK.	A. F. MCCONKEY	"
NORTH BATTLEFORD, SASK.	W. HILBORN	"
NUTANA, SASK.	L. E. GRIFFITH	"
OLDS, ALTA.	W. C. DUNCAN	"
OUTLOOK, SASK.	J. A. SMITH	"
PEACE RIVER CROSSING, ALTA.	ALLAN MCKENZIE	Act. Mgr.
PINCHER CREEK, ALTA.	R. B. BUCHANAN	Manager
PONOKA, ALTA.	L. G. CROZIER	"
PORTAGE LA PRAIRIE, MAN.	J. H. MORRISON	"
PRINCE ALBERT, SASK.	E. A. FOX	"
PROVOST, ALTA.	C. LOMER MILES	"
RADISSON, SASK.	C. PADLEY	"
RADVILLE, SASK.	W. M. MCKIE	"
READLYN, SASK.	J. WALKER	"
RED DEER, ALTA.	F. C. WHITEHOUSE	"
REGINA, SASK.	A. W. RIDOUT	"
RETLAW, ALTA.	F. A. STUART	Pro Mgr.
RIVERS, MAN.	F. W. WEST	Manager
SASKATOON, SASK.	W. P. KIRKPATRICK	"
Do. WEST SIDE	W. H. DAWSON	"
SHAUNAVON, SASK.	H. CAMERON	Act. Mgr.
SHELLBROOK, SASK.	W. P. REYNOLDS	Manager
STAVELY, ALTA.	R. C. HAYWARD	"
STONY PLAIN, ALTA.	R. ROBERTS	Act. Mgr.
STRATHMORE, ALTA.	C. G. LEWIS	"
SWAN RIVER, MAN.	G. H. WINSTANLEY	Manager
SWIFT CURRENT, SASK.	W. J. SAVAGE	"
TABER, ALTA.	GEO. E. EWING	"
THE PAS, MAN.	T. S. LEITCH	"

BRANCHES—Continued

TILLEY, ALTA.	A. H. MUNROE.	Pro Mgr.
TRANSCONA, MAN.	E. W. BASSETT.	Manager
TREHERNE, MAN.	H. L. WETHEY	"
TUGASKE, SASK.	C. S. FREEMAN.	"
VEGREVILLE, ALTA.	J. H. S. GORDON	"
VERMILION, ALTA.	A. J. REYNOLDS	"
VIRDEN, MAN.	F. C. BIGGAR	"
VONDA, SASK.	H. O. GUDGIN	"
VULCAN, ALTA.	A. W. PENTLAND	"
WADENA, SASK.	F. A. CHAPMAN	"
WARNER, ALTA.	A. J. BURNSIDE	"
WATROUS, SASK.	J. H. DENT	"
WATSON, SASK.	R. P. FINDLAY	"
WETASKIWIN, ALTA.	H. I. MILLAR	"
WEYBURN, SASK.	A. F. TURNER	"
WILCOX, SASK.	H. J. WHITE	"
WILLOW BUNCH, SASK.	WM. KIDD	"
WINNIPEG, MAN.	{ C. W. ROWLEY.	"
	{ C. GORDON	Asst. Mgr.
Do. ALEXANDER AVE.	R. E. N. JONES	Manager
Do. BLAKE STREET		"
Do. ELMWOOD	D. H. TOLMIE	"
Do. FORT ROUGE	HEDLEY HILL	"
Do. KELVIN STREET	D. H. TOLMIE	"
Do. NORTH	C. F. A. GREGORY	"
Do. PORTAGE AVE.	G. M. PATTERSON	"
WISETON, SASK.	J. V. STEEL	Act. Mgr.
YELLOWGRASS, SASK.	H. G. HURLBURT	Manager
YORKTON, SASK.	H. L. EDMONDS	"
YOUNGSTOWN, ALTA.	D. THOMSON	"

ONTARIO—

AYR	E. M. LOCKIE	Manager
BARRIE	H. J. GRASSETT	"
BELLEVILLE	C. M. STORK	"
BERLIN	G. M. WEDD	"
BLENHEIM	O. F. ANDERSON	"
BRANTFORD	H. W. FITTON	"
BROCKVILLE	W. H. COLLINS	"
CAYUGA	C. D. NEVILL	"
CHATHAM	J. SIMON.	"
COBALT	H. G. MATHEWSON	"
COLLINGWOOD	H. C. DUNCAN	"
CORNWALL	A. E. CURRIE	"
CREDITON	A. E. KUHN	"
DRESDEN	R. H. EDMONDS	"
DUNDAS	S. N. MOFFAT	"
DUNNVILLE	G. E. PARKES	"
EXETER	G. L. WAUGH	"
FOREST	W. J. F. ROSS	"
FORT FRANCES	J. T. BEATTIE	"
FORT WILLIAM	A. A. WILSON	"
GALT	C. E. A. DOWLER	"
GODERICH	G. WILLIAMS	"

BRANCHES—Continued

GOWGANDA	A. Y. SNIDER	Manager
GUELPH	J. M. DUFF	"
HAMILTON	D. B. DEWAR	"
INGERSOLL	W. C. JOHNSTON	"
KINGSTON	P. C. STEVENSON	"
LINDSAY	H. A. HOLMES	"
LONDON	JEFFERY HALE	"
NIAGARA FALLS	C. BALLARD	"
ORANGEVILLE	R. H. NEILSON	"
OSHAWA	H. H. HYLAND	"
OTTAWA	C. CAMBIE	"
Do. BANK STREET	C. R. ARMSTRONG	"
PARIS	D. H. DOWNIE	"
PARKHILL	T. L. ROGERS	"
PARRY SOUND	J. WALTON	"
PETERBORO	W. H. DUNSFORD	"
PORT ARTHUR	A. W. ROBERTS	"
PORT COLBORNE	W. H. PAGET	"
PORT McNICOLL	J. P. TAILLON	Pro Mgr.
PORT PERRY	J. McE. MURRAY	Manager
PORT STANLEY	H. E. TYLOR	"
RAINY RIVER	H. W. GRAHAM	"
ST. CATHARINES	R. G. W. CONOLLY	"
ST. THOMAS	H. E. TYLOR	"
SARNIA	J. L. BUCHAN	"
SAULT STE. MARIE	A. D. McLEAN	"
Do. WEST END		
SEAFORTH	W. C. T. MORSON	"
SIMCOE	W. C. J. KING	"
SMITH'S FALLS	R. M. WATSON	"
SOUTH PORCUPINE	W. G. WHITESIDE	"
STRATFORD	R. T. MUSSEN	"
STRATHROY	L. H. DAMPIER	"
SUDBURY	D. DAVIES	"
THEDFORD	J. FULLER	"
TILLSONBURG	J. R. HARRISON	"
TORONTO	D. A. CAMERON	"
Do. BLOOR AND DUFFERIN		
Do. BLOOR AND YONGE	E. P. GOWER	Asst. Mgr.
Do. COLLEGE & DOVERCOURT	A. S. HOUSTON	Manager
Do. DANFORTH & BROADVIEW	JAMES BRYDON	"
Do. EARLSCOURT	E. C. PRINGLE	"
Do. GERRARD AND PAPE	W. C. JAMES	"
Do. MARKET	C. E. JOHNSON	"
Do. PARKDALE	N. ST. B. YOUNG	"
Do. PARLIAMENT STREET	T. A. CHISHOLM	"
Do. QUEEN AND BATHURST	W. A. COOKE	"
Do. QUEEN EAST	A. H. CREASE	"
Do. SPADINA AND COLLEGE	H. POLSON	"
Do. WEST TORONTO	P. P. JOHNSTON	"
Do. YONGE AND COLLEGE	H. F. D. SEWELL	"
Do. YONGE AND QUEEN	J. B. McCUAIG	"
	G. C. T. PEMBERTON	"
	H. C. RAE	"

BRANCHES—Continued

WALKERTON	H. M. LAY	Manager
WALKERVILLE	H. B. PARSONS	"
WATERLOO	F. W. DE MILLE	"
WIARTON	A. E. JACKSON	"
WINDSOR	A. E. TAYLER	"
WINGHAM	E. B. WALKER	"
WOODSTOCK	G. A. HOLLAND	"

SUB-AGENCY

	Sub-Agency to	Open for business
CAMLACHIE	Forest	Tues. & Thur.

QUEBEC—

ACTON VALE	E. R. TANNER	Manager
ASBESTOS	J. H. DOAK	"
AYER'S CLIFF	F. A. JOHNSTON	"
BEDFORD	A. S. McCAW	"
BEEBE	H. G. KIRWIN	"
BELOEIL	A. M. BRODEUR	"
BISHOP'S CROSSING	D. H. PARMELEE	"
CHAMBLY	J. C. R. MARCHAND	"
CLARENCEVILLE	J. I. McCABE	"
COATICOOK	L. M. THOMAS	"
COOKSHIRE	W. E. LEARNED	"
COWANSVILLE	H. F. WILLIAMS	"
DANVILLE	J. H. DOAK	"
DUNHAM	H. F. WILLIAMS	"
EAST ANGUS	D. H. PARMELEE	"
EASTMAN	C. W. H. LEY	"
FARNHAM	G. C. D. RIGHT	"
FRASERVILLE	A. G.	"
FRELIGHSBURG	F. DUTHIE	"
GRANBY	A. C. SMITH	"
HEMMINGFORD	P. H. M. SOMERVILLE	"
HOWICK	N. H. SLACK	"
HUNTINGDON	C. W. THOMAS	"
IBERVILLE	E. MCCARTHY	Act. Mgr.
JOLIETTE	H. E. GREEN	Manager
KNOWLTON	J. M. O'HALLORAN	"
LACOLLE	G. A. MITCHELL	Act. Mgr.
LENNOXVILLE	H. A. C. SCARTH	Manager
MAGOG	A. W. WATSON	"
MANSONVILLE	K. R. TURNER	"
MARBLETON	H. E. TEMPLE	"
MARIEVILLE	J. C. R. MARCHAND	"
MEGANTIC	G. M. THOMPSON	"
MONTREAL	{ H. B. WALKER W. LEGGAT	Asst. Mgr.
Do. CRESCENT & ST. CATHERINE	M. A. MACFARLANE	Manager

BRANCHES—Continued

MONTREAL—MAISONNEUVE . . .	E. H. CARTER . . .	Manager
Do. PRINCE ARTHUR AND PARK . . .	J. B. BEACH . . .	"
Do. ST. CATHERINE & CITY HALL . . .	W. E. MOREHOUSE . . .	"
Do. ST. CATHERINE AND MET- CALFE . . .	D. McLENNAN . . .	"
Do. ST. DENIS AND DULUTH . . .	J. R. BOIVIN . . .	"
NICOLET . . .	E. DUMOULIN . . .	"
NORTH HATLEY . . .	L. G. T. LYNCH . . .	"
ORMSTOWN . . .	N. H. SLACK . . .	"
POINT AUX TREMBLES . . .	S. A. FORBES . . .	"
QUEBEC . . .	A. L. HAMILTON . . .	"
Do. UPPER TOWN . . .	G. L. DOAK . . .	"
RICHMOND . . .	A. S. RAIMBACH . . .	"
RIMOUSKI . . .	W. CLOUTIER . . .	"
ROCK ISLAND . . .	SIDNEY STEVENS . . .	"
ROXTON FALLS . . .	J. M. R��� DE COTR��T . . .	Pro Mgr.
ST. CHRYSOSTOME . . .	N. H. SLACK . . .	Manager
ST. FELIX DE VALOIS . . .	J. A. PARENT . . .	"
ST. FERDINAND D'HALIFAX . . .	A. E. WARD . . .	"
ST. GABRIEL DE BRANDON . . .	P. L. McCABE . . .	"
ST. GEORGE, BEAUCE . . .	C. A. TUCKER . . .	"
ST. HYACINTHE . . .	J. LAFRAMBOISE . . .	"
ST. JOHNS . . .	J. MACLOUGHLIN . . .	"
ST. JOSEPH DE BEAUCE . . .	A. L. DESSERT . . .	"
ST. REMI . . .	J. A. ROY . . .	"
SCOTSTOWN . . .	C. E. SOLES . . .	"
SHERBROOKE . . .	E. W. FARWELL . . .	"
Do. UPPER TOWN . . .	A. P. TAYLOR . . .	Asst. Mgr.
Do. WELLINGTON ST. . .	N. F. DINNING . . .	Act. Mgr.
STANBRIDGE EAST . . .	F. A. BRIGGS . . .	Manager
SUTTON . . .	T. W. JUDD . . .	"
THETFORD MINES . . .	R. P. BUZZELL . . .	"
THREE RIVERS . . .	L. P. BISHOP . . .	"
VALCOURT . . .	E. W. MORGAN . . .	"
WATERLOO . . .	L. P. BOURGOING . . .	"
WATERVILLE . . .	J. E. THOMPSON . . .	"
WEEDON . . .	J. T. THOMAS . . .	"
WEST SHEFFORD . . .	H. E. TEMPLE . . .	"
WINDSOR MILLS . . .	F. E. KERRIDGE . . .	"
	K. G. NOURSE . . .	"

SUB-AGENCIES

	Sub-Agency to	Open for Business
BIC . . .	Rimouski . . .	Daily
BROME . . .	Knowlton . . .	Tues. and Fri.
BROMPTONVILLE . . .	Sherbrooke . . .	Mon., Wed. and Fri.
DIXVILLE . . .	Coaticook . . .	Friday
EAST HATLEY . . .	Ayer's Cliff . . .	Tues., 10 to 12.
FOSTER . . .	Knowlton . . .	Mon. and Thurs.
PHILIPSBURG . . .	Bedford . . .	Mon. and Thurs., 2 to 4
ST. ARMAND STATION . . .	Bedford . . .	Mon. and Thurs., 10 to 12
STANSTEAD . . .	Rock Island . . .	Daily
THETFORD MINES WEST	Thetford Mines . . .	Daily

BRANCHES—Continued

MARITIME PROVINCES—

ALBERTON, P.E.I.	W. C. LAWSON	Manager
AMHERST, N.S.	R. C. MACPHERSON	"
ANTIGONISH, N.S.	W. H. HARRISON	"
BARRINGTON, N.S.	F. W. HOMER	"
BATH, N.B.	W. T. GERALD	"
BRIDGEWATER, N.S.	T. W. MAGEE	"
BRISTOL, N.B.	W. T. GERALD	"
CAMPBELLTON, N.B.	E. B. FAIRBANKS	"
CHARLOTTETOWN, P.E.I.	J. H. McQUAID	"
FREDERICTON, N.B.	G. W. HARRISON	"
HALIFAX, N.S.	D. MACGILLIVRAY	"
MIDDLETON, N.S.	C. N. ROOP	"
MONCTON, N.B.	W. H. LUGSDIN	"
MONTAGUE, P.E.I.	L. H. COFFIN	"
NEW GLASGOW, N.S.	B. DE VEBER	"
PARRSBORO, N.S.	R. M. McCAL	"
ST. JOHN, N.B.	C. W. HALLAMORE	"
Do. WEST	J. L. CLAXTON	"
SHELBURNE, N.S.	C. F. WORRELL	"
SOURIS, P.E.I.	J. D. BURPEE	"
SPRINGHILL, N.S.	G. SHEARER	"
SUMMERSIDE, P.E.I.	C. HENSLEY	"
SYDNEY, N.S.	E. B. IRELAND	"
TRURO, N.S.	C. W. MONTGOMERY	"
WINDSOR, N.S.	J. A. RUSSELL	"

NEWFOUNDLAND—

ST. JOHN'S	S. H. LOGAN	Manager
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UNITED STATES—

NEW YORK, N.Y.	{ WM. GRAY H. P. SCHELL }	Agents
PORTLAND, ORE.	F. C. MALPAS	Manager
SAN FRANCISCO, CAL.	G. W. B. HEATHCOTE	"
SEATTLE, WASH.	G. V. HOLT	"

GREAT BRITAIN—

LONDON, 2 Lombard Street, E.C.	
H. V. F. JONES	Manager
A. R. PHIPPS	Asst. Mgr.

MEXICO—

MEXICO, Avenida San Francisco No. 50	
J. P. BELL	Manager
D. MUIRHEAD	Asst. Mgr.

BANKERS AND CHIEF CORRESPONDENTS

LONDON BANKERS—

Bank of England; Bank of Scotland; Lloyds Bank Limited; Union of London and Smiths Bank, Ltd.; London and South Western Bank, Ltd.

ENGLAND—

Barclay & Co., Ltd.; Lloyds Bank Limited; Manchester and Liverpool District Banking Co., Ltd.

SCOTLAND—

Bank of Scotland; North of Scotland and Town and County Bank, Ltd.; Union Bank of Scotland, Ltd.

IRELAND—

Northern Banking Co., Ltd.; Provincial Bank of Ireland, Ltd.; Belfast Banking Co., Ltd.

UNITED STATES—

NEW YORK—American Exchange National Bank; Chase National Bank.

ALBANY—New York State National Bank.

BALTIMORE—Citizens National Bank.

BOSTON—National Shawmut Bank; Second National Bank; First National Bank.

BUFFALO—Citizens Bank of Buffalo; Manufacturers and Traders National Bank.

CHICAGO—First National Bank; National City Bank; Northern Trust Company.

CLEVELAND—First National Bank.

DENVER—Denver National Bank; Colorado National Bank.

DETROIT—First National Bank.

LOS ANGELES—Farmers and Merchants National Bank; Citizens National Bank.

MILWAUKEE—Wisconsin National Bank.

MINNEAPOLIS—Northwestern National Bank; First National Bank.

NEW ORLEANS—Commercial National Bank.

PHILADELPHIA—Girard National Bank; Franklin National Bank.

PITTSBURG—Mellon National Bank.

ST. LOUIS—Mechanics-American National Bank.

ST. PAUL—The Merchants National Bank.

SALT LAKE CITY—Deseret National Bank.

SPOKANE—Traders National Bank.

TACOMA—Bank of California National Association; National Bank of Commerce.

AUSTRIA—

Anglo-Austrian Bank.

BELGIUM—

Banque d'Anvers, Antwerp; Banque Internationale de Bruxelles, Brussels.

DENMARK—

Den Danske Landmandsbank, Copenhagen.

FRANCE—

Credit Lyonnais; Société Générale; Lazard Frères & Cie., Paris.

GERMANY—

Deutsche Bank; Direction der Disconto-Gesellschaft.

HOLLAND—

Twentsche Bankvereniging, Amsterdam; Disconto Maatschappij, Rotterdam.

ITALY—

Banca Commerciale Italiana.

NORWAY—

Centralbanken for Norge, Christiania.

SWEDEN—

Skandinaviska Kreditaktiebolaget, Stockholm.

SWITZERLAND—

Banque Fédérale, Zurich; Schweizerische Kreditanstalt, Zurich.

INDIA, CHINA, JAPAN AND THE PHILIPPINE ISLANDS—

Chartered Bank of India, Australia and China; Hong Kong and Shanghai Banking Corporation.

SOUTH AFRICA—

Standard Bank of South Africa, Ltd.; National Bank of South Africa, Ltd.

AUSTRALIA AND NEW ZEALAND—

Union Bank of Australia, Ltd.; Bank of Australasia; National Bank of Australasia, Ltd.; English Scottish and Australian Bank, Ltd.

HAWAIIAN ISLANDS—

First National Bank of Hawaii, Honolulu; Bishop & Co., Honolulu.

SOUTH AMERICA—

British Bank of South America, Ltd.; London & Brazilian Bank, Ltd.; Anglo-South American Bank, Ltd.

WEST INDIES—

Colonial Bank and Branches; Banco Nacional de Cuba, Havana, Cuba.

BERMUDA—

Bank of Bermuda, Ltd., Hamilton.

THE CANADIAN BANK OF COMMERCE

[For the convenience of Shareholders on the London Register, the Profit and Loss Account and the Balance Sheet are here given in Sterling, at the par of Exchange.]

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDING 29TH NOVEMBER, 1913

Balance at credit of Profit and Loss Account, brought forward from last year	£ 158,543 12 1
Net profits for the year ending 29th November, after providing for all bad and doubtful debts...	614,989 19 1
	£ 773,533 11 2

This has been appropriated as follows:

Dividends Nos. 104, 105, 106 and 107, at ten per cent. per annum.....	£ 308,219 3 7
Bonus of one per cent. payable 1st June.....	30,821 18 3
Bonus of one per cent. payable 1st December. .	30,821 18 3
Written off Bank Premises.....	102,739 14 7
Transferred to Pension Fund (annual contribution)	16,438 7 2
Transferred to Rest Account.....	205,479 9 1
Balance carried forward.....	79,013 0 3
	£ 773,533 11 2

GENERAL STATEMENT

29TH NOVEMBER, 1913

LIABILITIES

Notes of the Bank in circulation.....	£ 3,214,299	5	8
Deposits not bearing interest. £10,848,946	8	2	
Deposits bearing interest, including interest accrued to date 28,770,310	3	0	
	39,619,256	11	2
Balances due to other Banks in Canada.....	130,117	4	4
Balances due to Banks and Banking Correspondents elsewhere than in Canada.....	2,069,448	12	9
Bills payable.....	1,955,298	16	8
Acceptances under Letters of Credit.....	398,947	8	8
	£47,387,367	19	3
Dividends unpaid.....	547	18	2
Dividend No. 107 and bonus, payable 1st December	107,876	14	3
Capital paid up.....	£3,082,191	15	8
Rest.....	2,773,972	12	1
Balance of Profit and Loss			
Account carried forward...	79,013	0	3
	5,935,177	8	0
	<u>£53,430,969</u>	<u>19</u>	<u>8</u>

ASSETS

Current Coin and Bullion....	£ 1,968,385	0	0
Dominion Notes.....	4,281,407	7	4
	£ 6,249,792	7	4
Balances due by Banks and Banking Correspondents elsewhere than in Canada... £ 1,414,654	13	10	
Balances due by other Banks in Canada.....	4,545	14	3
Notes of other Banks.....	638,266	8	9
Cheques on other Banks....	1,318,854	9	7
	3,376,321	6	5
Call and Short Loans in Canada on Bonds, Debentures and Stocks.....	1,974,770	11	4
Call and Short Loans elsewhere than in Canada..	3,319,389	3	6
Dominion and Provincial Government Securities..	7,05740	15	4
British, Foreign and Colonial Public Securities and Canadian Municipal Securities.....	499,723	18	3
Railway and other Bonds, Debentures and Stocks	3,717,374	16	1
Deposit with the Minister for the purposes of the Circulation Fund.....	151,746	11	6
	£19,994,859	9	9
Other Current Loans and Discounts in Canada (less rebate of interest).....	28,042,782	10	0
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest).....	3,719,592	3	0
Overdue Debts (estimated loss provided for)....	100,182	9	7
Real Estate (including the unsold balance of former premises of the Eastern Townships Bank)....	201,352	10	6
Mortgages on Real Estate sold by the Bank.....	89,097	7	10
Bank Premises.....	879,756	9	10
Other Assets.....	4,399	10	6
Liabilities of customers under Letters of Credit, as per contra.....	398,947	8	8
	<u>£53,430,969</u>	<u>19</u>	<u>8</u>

B. E. WALKER, President
Z. A. LASH, Vice-President

ALEXANDER LAIRD,
General Manager

GENERAL STATEMENT

29TH NOVEMBER, 1913

LIABILITIES

Notes of the Bank in circulation.....	\$	15,642,923	18
Deposits not bearing interest. \$	52,798,205	84	
Deposits bearing interest, including interest accrued to date.....	140,015,509	40	192,813,715 24
Balances due to other Banks in Canada.....			633,237 12
Balances due to Banks and Banking Correspondents elsewhere than in Canada.....			10,071,316 73
Bills payable.....			9,515,787 65
Acceptances under Letters of Credit.....			1,941,544 19
	\$	230,618,524	11
Dividends unpaid.....			2,666 48
Dividend No. 107 and bonus, payable 1st December			525,000 00
Capital paid up.....\$	15,000,000	00	
Rest.....	13,500,000	00	
Balance of Profit and Loss			
Account carried forward...	384,529	98	28,884,529 98
	\$	260,030,720	57

ASSETS

Current Coin and Bullion....	\$	9,579,473	66
Dominion Notes.....	20,836,182	50	\$ 30,415,656 16
Balances due by Banks and Banking Correspondents elsewhere than in Canada..	\$	6,884,652	83
Balances due by other Banks in Canada.....		22,122	47
Notes of other Banks.....		3,106,230	00
Cheques on other Banks.....		6,418,425	14
			16,431,430 44
Call and Short Loans in Canada on Bonds, Debentures and Stocks.....			9,610,550 08
Call and short Loans elsewhere than in Canada ..			16,154,360 65
Dominion and Provincial Government Securities			3,434,605 06
British, Foreign and Colonial Public Securities and Canadian Municipal Securities.....			2,431,989 71
Railway and other Bonds, Debentures and Stocks.			18,091,224 04
Deposit with the Minister for the purposes of the Circulation Fund.....			738,500 00
	\$	97,308,316	14
Other Current Loans and Discounts in Canada (less rebate of interest).....			136,474,874 82
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest).....			18,102,015 15
Overdue Debts (estimated loss provided for)....			487,554 72
Real Estate (including the unsold balance of former premises of the Eastern Townships Bank).....			979,915 61
Mortgages on Real Estate sold by the Bank.....			433,607 32
Bank Premises.....			4,281,481 60
Other Assets.....			21,411 02
Liabilities of customers under Letters of Credit, as per contra.....			1,941,544 19
	\$	260,030,720	57

B. E. WALKER, President
Z. A. LASH, Vice-President

ALEXANDER LAIRD,
General Manager

THE CANADIAN BANK OF COMMERCE

REPORT OF THE PROCEEDINGS

OF

THE ANNUAL MEETING OF SHAREHOLDERS

TUESDAY, 13TH JANUARY, 1914

The forty-seventh Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking house at Toronto, on Tuesday, 13th January, 1914, at 12 o'clock.

Among those present were:—

E. Cronyn, Lt.-Col. J. A. Currie, J. E. McAllister, J. Hedley, S. R. Wickett, J. O. Thorn, J. N. Shenstone, W. S. Hodgins, Col. W. C. Macdonald, F. H. Gooch, R. Cassels, H. Vigeon, Avern Pardoe, Jr., Col. A. D. Davidson, Col. A. D. McRae, George Howe, William Davidson, K.C., Trumbull Warren, N. H. Beemer, M.D., Dr. Grasett, Dr. R. M. Bateman, Col. Michie, Z. A. Lash, K.C., Thomas Gilmour, A.T. Reid, R. C. Jennings, William Crocker, W. E. Rundle, A. E. Ames, E. J. B. Duncan, H. W. Mickle, Rev. Daniel Strachan, H. H. Fudger, T. A. Russell, George Murray, F. A. Mouré, Sir J. M. Gibson, K.C.M.G., E. R. Wood, Dr. R. A. Falconer, Victor Ross, John Appleton, Aemilius Jarvis, James Watt, Rev. J. B. Saer, J. Short McMaster, W. T. Kernahan, J. W. Flavelle, Thomas Findley, E. M. Saunders, E. Roach, W. H. Grant, G. Frank Beer, R. Mulholland, F. P. Wood, James Wood, Sir Lyman Melvin Jones, A. J. Helliwell, C. P. Powell, Sir John S. Willison, David T. Symons, K.C., J. J. Ashworth, F. D. L. Smith, F. Rolph, Major Keefer, William Dineen, W. H. L. Gordon, T. H. Plummer,

H. L. Wethey, Treherne; H. J. Fuller, Montreal;
H. J. Neale, Melfort; F. J. D. Smith, Newtonbrook;
H. P. Schell, New York; A. D. McLean, Sault Ste. Marie;
W. T. White, Cumberland; W. H. Harrison, Antigonish;
H. M. Lay, Walkerton; C. M. Gipton, St. Catharines;
H. A. Holmes, Lindsay; J. T. Beattie, Fort Frances;
P. J. White, Lindsay; Sir Douglas Cameron, Winnipeg;
A. J. Maynard, Lloydminster; C. G. K. Nourse, Calgary;
R. N. Shaw, Herbert; J. C. R. Marchand, Marieville;
A. Guay, Fraserville; William Cook, Richmond Hill;
W. H. Collins, Brockville; Jeffery Hale, London, Ont.;
J. H. Doak, Danville; W. Hilborn, North Battleford;
B. P. Alley, Winnipeg; H. G. Hurlburt, Yellowgrass;
William Spier, Sherbrooke; William Leggat, Kingston;
H. B. Walker, Montreal; Gardner Stevens, Waterloo, Que.;
C. W. Rowley, Winnipeg; William Murray, Vancouver;
W. A. Murray, Montreal; R. H. Neilson, Orangeville;
V. C. Brown, Winnipeg; William Farwell, Sherbrooke;
G. V. Holt, Seattle; J. A. Forster, North Vancouver;
L. A. S. Dack, Fernie; C. W. Durrant, East Vancouver;
J. B. Corbet, Winnipeg; E. B. Fairbanks, Campbellton;
G. W. Allan, Winnipeg; E. A. Fox, Prince Albert;
A. Kingman, Montreal; L. P. Bishop, Thetford Mines;
Robert Stuart, Chicago; R. M. Breckenridge, Waterdown;
W. E. Learned, Cookshire; R. C. Macpherson, Amherst;
A. F. Turner, Weyburn; F. W. de Mille, Waterloo, Ont.;
C. W. Colby, Montreal; W. G. Hamilton, Carmangay;
H. C. Morris, Dawson; H. E. Tylor, St. Thomas;
John Leggat, Hamilton; G. A. Holland, Wiarton;
W. F. McAdie, Oshawa; J. M. O'Halloran, Knowlton;
G. G. Foster, K.C., Montreal; S. Stevens, Rock Island;
E. H. Bird, Nanaimo; E. W. Farwell, Sherbrooke;
D. Davies, Sudbury; F. A. Briggs, Sherbrooke;
L. G. Crozier, Ponoka; G. C. Boright, Farnham;
A. L. Jensen, Canora; D. Clarkson, Claresholm;
G. E. Ewing, Taber; G. F. Galt, Winnipeg.

The President, Sir Edmund Walker, having taken the chair, Mr. A. St. L. Trigge was appointed to act as Secretary, and Messrs. Aemilius Jarvis and Edward Cronyn were appointed scrutineers.

The President called upon the Secretary to read the Annual Report of the Directors, as follows:

REPORT

The Directors beg to present to the Shareholders the forty-seventh Annual Report, covering the year ending 29th November, 1913, together with the usual statement of Assets and Liabilities:

The balance at credit of Profit and Loss Account, brought forward from last year, was.....	\$ 771,578 88
The net profits for the year ending 29th November, after providing for all bad and doubtful debts, amounted to.....	2,992,951 10
	<u>\$ 3,764,529 98</u>

This has been appropriated as follows:

Dividends Nos. 104, 105, 106 and 107, at ten per cent. per annum.....	\$ 1,500,000 00
Bonus of one per cent. payable 1st June.	150,000 00
Bonus of one per cent. payable 1st December.....	150,000 00
Written off Bank Premises.....	500,000 00
Transferred to Pension Fund (annual contribution).....	80,000 00
Transferred to Rest Account.....	1,000,000 00
Balance carried forward.....	384,529 98
	<u>\$ 3,764,529 98</u>

In accordance with our usual practice the assets of the Bank have again been carefully revalued and ample provision made for all bad and doubtful debts.

The following branches were opened during the year: In *British Columbia*: Comox, Courtenay, Pandora and Cook (Victoria), and Parksville; in *Alberta*: Highland, Monitor, Peace River Crossing and Retlaw; in *Saskatchewan*: Kincaid, Readlyn, Shaunavon and Wiseton; in *Manitoba*: Kelvin Street (Winnipeg); in *Ontario*: Oshawa and Port McNicoll; in *Quebec*: Upper Town (Quebec), and in *New Brunswick*: Campbellton, Moncton and West St. John.

The sub-agencies mentioned below have been made independent branches:

Asbestos, Chambly, Clarenceville, Dunham, Iberville, Lacolle, Roxton Falls, Stanbridge East and Uppertown (Sherbrooke), all in the Province of Quebec.

The branches at Stewart, B.C., Black Lake, Que., and St. Elizabeth, Que., have been closed and the business of the branch at 367 Main Street South, Winnipeg, has been transferred to the main office in Winnipeg. The business of the sub-agencies at Naramata, B.C., Beloeil Station, Henryville, Lawrenceville, St. Philippe de La Prairie, St. Sebastien, Sweetsburg and Upton, all in the Province of Quebec, has been transferred to their respective parent branches. Since the close of the year branches have been opened at St. Denis and Duluth (Montreal), Bath, N.B., and Bristol, N.B.

Due notice has been received of the intention to nominate Mr. T. Harry Webb of Messrs. Webb, Read, Hegan, Callingham & Co., Montreal and Winnipeg, and Mr. James Marwick, C.A., of Messrs. Marwick, Mitchell, Peat & Co., Montreal, as auditors of this Bank under the provisions of sub-section 10 of section 56 of the Bank Act.

The branches and agencies of the Bank in Canada, the United States, Great Britain, Newfoundland and Mexico and the departments of the Head Office have undergone the usual thorough inspection during the year.

The Directors wish again to express their appreciation of the efficiency and zeal shown by the officers of the Bank in the performance of their duties.

ALEXANDER LAIRD,
General Manager.

B. E. WALKER, President.
Z. A. LASH, Vice-President.

TORONTO, 13th January, 1914.

Before moving the adoption of the Report, the President called upon the General Manager to address the shareholders:

GENERAL MANAGER'S ADDRESS

We have closed our accounts for the past year and have great pleasure and satisfaction in presenting you with a statement of the results of the Bank's business, which you will realize is the best record in its history, and should be a source of gratification to the shareholders and those actively engaged in its administration.

There was enough difficulty and perplexity in the general financial situation at the close of 1912 to make us apprehensive at the beginning of the past year. Canadians had some reason to hope for an early return to normal conditions, but were doomed to disappointment, and the continuance of the unfavourable influences then evident, and the aggravation of some of their worst features has made the history of 1913 memorable in the annals of international trade. While the year has been full of anxiety and much actual strain, there is cause for congratulation that, notwithstanding the long-deferred arrival of peace in continental Europe, the uncertainty as to how the adjustment of immense war expenditures will be made, and the distressing delay in bringing order out of chaos in unfortunate Mexico, the general position of financial credit has, on the whole, been fairly well maintained. In our own country we were seriously disturbed lest we should have a failure of the crops, as this would certainly have added to our difficulties; but we were fortunate in securing an abundant harvest of excellent quality. This was marketed with extraordinary celerity and realized good values, which enabled us to make a substantial measure of liquidation of our debts and largely increase our cash capital. Canada is so closely allied with and influenced by the movements of our

neighbours to the south, that there was great satisfaction when the radical and important measures initiated under the recent change of administration were brought to a successful conclusion without any serious disturbance in financial affairs. Taken as a whole, and keeping in mind all the adverse conditions, the past year has been marked by astonishing evidence of strength to meet great emergencies.

You will readily see from the statements included in the Report of the Directors that the Bank has had another satisfactory year in the matter of profits. After a very careful re-valuation of our assets, making liberal allowances for depreciation in securities, and providing for all bad and doubtful debts, you will be pleased to know that the Directors remembered the staff, to whose faithful and zealous efforts our success is largely due. Before closing the books a substantial sum was set aside out of the year's earnings and distributed as a bonus, leaving the declared net profits \$2,992,951.10, being 10.88% on the Capital and Rest combined. We were enabled to pay dividends amounting to \$1,800,000, including the usual dividend at the rate of 10% per annum, and extra bonus dividends of 2% for the year; and we have reason to hope that we shall maintain this rate until the Rest equals the Capital, and thereafter make the permanent basis 12%, with whatever advantage may come with extra good fortune.

In our last report the urgent necessity for providing an extension of the Head Office and Toronto Branch premises was referred to; and arrangements have since had to be made for the temporary accommodation of some departments of the Bank outside the present building. We are now pleased to say that we have purchased the two properties adjoining, and will proceed to consider plans, although we do not expect to make much progress towards altering or erecting a building for two or three years. We have acquired property in Windsor, Ont., where a suitable

office building will be erected during the coming year, and are also engaged in planning the erection of an adequate building in the City of Quebec. In both these places it was absolutely necessary to provide for our growing business. Bank Premises account now stands at \$4,281,481.60, and in this connection we would direct your attention to the item of \$979,915.61 in the statement under Real Estate. This includes bank premises acquired by the amalgamation with the Eastern Townships Bank, which will be disposed of in due course at considerably more than the book value. With this sale and the sums from time to time written off Bank Premises we should be able to keep this account within reasonable bounds and still show our properties at approximately 50% of their value.

The enrolled members of the staff now number 3,540, an addition of 544 during the year. In accordance with our plan of contributing to the Pension Fund, which includes provision for the widows, orphans and other dependants of deceased employees, we have appropriated \$80,000. It will interest you to know that the Pension Fund now stands at the magnificent sum of over \$2,000,000. This, of course, includes the contributions of the members of the staff themselves. This large amount has been placed in the hands of a Board of Trustees charged with its administration for the benefit of those who have given long and faithful service to the Bank. We are pleased to record our appreciation of the able manner in which this trust has been exercised. A large portion of the amount has been invested in western farm mortgages, and the whole fund is earning at the rate of about $6\frac{1}{2}$ per cent. per annum. The importance of making every reasonable effort to create a loyal and efficient staff cannot be too strongly emphasized, and your generous aid in the direction of strengthening the ties which bind its members, perpetuates what is best in our service and is creditable to the institution. The fund has been

actuarially examined from time to time, and we believe that it is on a sure and sound basis. We hope in the near future, with the accretions from well-invested funds, to increase the maximum pension.

You will notice that after paying dividends, making appropriations for Bank Premises and Pension Fund, we transferred to the Rest account \$1,000,000 and carried forward a balance of \$384,529.98 to Profit and Loss account. We reported \$16,422,864 note circulation in November, 1912, and reached a maximum of \$16,548,225 in November, 1913. The lowest point, \$12,822,000, occurred in May last. The early movement of the crops relieved the pressure, but we took advantage of the emergency provisions of the Bank Act, and at the date of our statement we had \$642,923 circulation outstanding in excess of our paid-up capital. Our deposits show a decrease of \$4,803,746, but this is accounted for by the adjustment of several large amounts which were held in special accounts, and the withdrawal of Provincial Government funds. The ordinary deposits show an increase. Current Loans and Discounts were \$154,576,889 and Call and Short Loans \$25,764,910, compared with \$163,753,559 and \$17,783,049 in our last report. The total Current Loans were \$180,341,800, a decrease of \$1,194,808 for the year. We show an increase of \$9,595,701 in Government and other Securities, and \$2,960,690 in Cash.

We think it advisable to give you an assurance that in the midst of the troubled and dangerous state of affairs in Mexico our interests are being safeguarded and every precaution exercised in handling a difficult problem. Our Manager enjoys our full confidence and he has shown unusual ability and judgment under these trying circumstances.

We deemed it prudent to restrict the opening of new branches to the carrying out in some measure of a programme we had planned early in the year; and we

consequently confined ourselves to districts where we had no representation, except in some cases where we opened for the protection of other branches. The geographical distribution of branches and agencies as at 30th November, 1913, was as follows:

Alberta.....	53
British Columbia.....	44
Manitoba.....	23
New Brunswick.....	5
Nova Scotia.....	13
Ontario.....	82
Prince Edward Island.....	5
Quebec.....	82
Saskatchewan.....	57
Yukon.....	2
Total in Canada.....	366
Newfoundland.....	1
London, England.....	1
United States.....	4
Mexico.....	1
Total number of Branches.....	373

The number of the Bank's shareholders is now 6,026, as against 5,656 a year ago, an increase of 370. The following table indicates how widely our shareholders are scattered, not only in Canada but abroad:

	No. of Shareholders	Amount Held
Ontario.....	1,468	\$4,077,350
Quebec.....	1,162	3,011,900
Maritime Provinces.....	758	1,571,650
Western Provinces.....	126	255,700
Great Britain.....	1,723	3,315,650
United States.....	684	2,599,550
Other Countries.....	105	168,200
	6,026	\$15,000,000

There has been a widespread agitation in the Central Western district as to the supposed need for greater recognition of the claims of farmers to accommodation from the banks, but investigation does not support this contention, so far as this bank is concerned. A carefully prepared statement of the business of this bank in the three western provinces shows the percentage of total deposits to total loans in this district to be 55.55%, which means that for every one dollar on deposit in these provinces we lend almost two. A compilation of the figures of the business of this bank in Saskatchewan made at the request of the Royal Commission on Agricultural Credit appointed by the Saskatchewan Government gave the percentage of farmers' loans to farmers' deposits in this province as 278.29%, while the percentage of farmers' loans to total deposits was 88.25%. This means that for every dollar which the farmers of Saskatchewan have deposited with us, we have lent them nearly three. These facts should convince those interested in this important subject that our farming customers have been generously treated by us.

The decennial revision of the Bank Act was an important feature of the last session of Parliament. A most searching examination and discussion of every conceivable phase of banking as it affects this country, resulted in a measure evidently framed with the object of meeting every reasonable requirement, and the Act is generally regarded as a piece of unusually good legislation. The most prominent of the new features are the provisions for the creation of a Central Gold Reserve and the appointment of Auditors for the independent examination of banks.

In view of what has been accomplished in spite of so many adverse influences and taking into account the natural disposition to look at the bright side of things after having passed through a trying period, it is not easy to forecast what the coming year will bring. We are inclined to the

thought that with the correction and adjustment of important matters now pending—such as the settlement of European political and financial difficulties and the attempts to bring about a return of peace and prosperity to unhappy Mexico (an important factor in the situation)—we shall see a revival of better conditions and our problems may be easily solved. We fear there will be a slow recovery, and great circumspection will be required before we again sail in smooth waters. We are likely to have an accumulation of idle money in the financial centres, but this will probably not have any appreciable effect on rates for general business for some time to come, because of the depression in all first class securities and the difficulty of disposing of the large amount awaiting a favourable market. On the other hand, trade has been prosperous and is fundamentally sound, and while considerable restriction must be expected, we are hopeful that the coming year will be one of reasonable prosperity.

The President then said:—

PRESIDENT'S ADDRESS

At our last annual meeting for the first time we presented the information at our disposal regarding industrial conditions in Canada, and in the foreign countries in which we do business, in the form of an appendix to the ordinary report to our shareholders. The advantage of presenting the views of our chief officers regarding the various districts directly to the shareholders, instead of compressing them into the addresses of the President or the General Manager, seemed clear, and we think the experiment has justified itself and may be adopted hereafter.

A year ago the tide of expansion seemed still to be in flood, although in some quarters a check was either in plain sight or had here and there made itself felt. Money for certain purposes, notably in connection with real estate,

was not so easy to obtain as in former years, yet little heed was apparently paid to the oft-repeated warnings of bankers and others who tried to forecast the future, although at the end of the year we must conclude that, after all, such warnings did have some beneficial effect. Clearly we have come through a time of difficulty in a most creditable manner, and we can look forward to the future cheerfully if the spirit of prudence which now characterizes our people remains unchanged at least until another good crop has been marketed. Much of that part of our expansion which went too far reminds one of the diseases through which the young have to pass. We are doubtless glad if they escape them entirely, but we have no reason to expect that they will be so fortunate. Some undue speculation in real estate, and some over-building in connection with public improvements, is inevitable amidst such astonishing growth and prosperity, and it would be foolish to expect anything else. We are now realizing more accurately the value of real estate, and through the process we are gaining an experience which is absolutely necessary to the foundations of a sound prosperity. The western country as a whole will not again have to suffer from this particular ailment of young communities. We have repeatedly deplored the fettering of the country by the high rent-charge which inflated real estate values impose, and the unfortunate effect of such a rent-charge on the cost of living, and if there is now to be a pause in the upward movement of values, there will in any event be a corresponding gain to all landless people.

Immigration has not yet been much checked by the curtailment of industry, indeed, except from the United States, there has been a large increase during the year. The British immigrants exceed in number the combined total of those from Europe and Asia and very much exceed those from the United States. The largest increase as compared with the figures of previous years, however, is in

the division which includes all countries except Great Britain and the United States. Here the increase, December figures being estimated, is 32 per cent. From Great Britain the increase is 8 per cent., while from the United States there has been a decrease of 17 per cent. There is thus a total increase of 6 per cent., as against 13 per cent. in the previous year. The total number of immigrants, December figures again being estimated, was 417,709, as compared with 395,804, the revised figures for 1912. The total for 1913 is made up as follows: British, 156,873, United States, 115,805, all other countries, 145,031. These figures are again eloquent in explaining the conditions of our foreign trade, the total of which for the year ending March, 1913, passed the billion mark for the first time, being \$1,085,175,000. The imports were valued at \$691,943,000 and the exports at \$393,232,000, showing the largest excess of imports we have ever had, namely, \$298,711,000. In the six months of the current fiscal year ending September, the complete figures for which have been published, there is some improvement in the proportion of exports to imports, and since September a greater improvement has taken place. As to our exports we are glad to report an increase during this period in every group, while there has been a decrease in many of the classes of imports.

We again draw attention to the large proportion of our imports which consists of iron and steel in various forms, not only as raw materials, but as manufactured goods. The total value is about \$140,000,000. May we once more point out that in the main these are articles used in building, or in equipping the country for its future, and that such purchases differ in effect from the import of foodstuffs and other rapidly perishing objects? At the same time we regret that the greater part of these iron and steel goods is not made in Canada now, as certainly will be the case in time. To the extent to which, by making these goods in

Canada, we could have lessened the debt represented by the securities we have sold to pay for the difference between imports and exports, we have burdened ourselves for a long time to come. Of course, while workmen are busily engaged in other things, as they have been in Canada, it may be said that they are not available for more work in iron and steel, but as soon as railroad and other building lessens in volume, not in the aggregate but in proportion to other industries, we may hope that we shall be able to make in Canada the larger part of the iron and steel goods now imported. The increased output of our coal and iron mines, of our blast furnaces and of our manufactories, which would result, would be of inestimable value to the country as a whole.

It was evident to any student of the situation a year ago that Canada, and other borrowing countries, would be put to a severe test during 1913. What we were not prepared for was that this country should be singled out as, in some measure, chief among the sinners of this kind. It is well, however, to remember that when money becomes scarce in the great markets of the world, the chief borrower is always told that he has obtained too large a share and that he must stop borrowing for the time being. We had scarcely realized that Canada had become the chief borrower, or practically so, and somewhat resented being held responsible for a situation created by the combined financial requirements of all the active mercantile nations of the world. However, we have had our warning and shall doubtless act upon it.

The fact remains that under all this pressure England has taken more of our securities this year than ever before. She has patiently remembered that we are obliged to finish the many sound and important enterprises, public, semi-public and private, which had been undertaken before the financial clouds began to gather. That such enterprises will command the money of the investor in preference to

loans for the rehabilitation of foreign countries devastated by war, or in preference to securities based upon new ventures, we need not doubt, and out of the vast sum available each year in the markets of Europe for new investments, we may be sure of getting a generous share. We shall have to face a keener analysis of the nature of the security offered and the necessity of paying higher rates to the investor, and we shall do well to abstain during the next year or so from seeking to market any unnecessary securities, in order that we may do what we can to restore the balance between the investment resources of the world and the securities offered for sale. It is pleasing in this connection to see that the higher rates of interest offered have opened the markets of the United States to our securities to an extent quite unusual in the past.

Now that we have come to a slight pause in the growth of North America, it is well to bear in mind some of the more important things accomplished during this period of expansion. In Canada, in addition to growth in many other directions, we have in sight the completion of two new transcontinental railway systems, and while they have been building, the existing system has successfully established its claim to rank as one of the foremost railway systems of the world. As regards the United States the Panama Canal is practically finished; a tariff adjustment, the mere thought of which would have created panic a few years ago, has taken place, leaving the outlook in this respect a certainty instead of an uncertainty; a currency and banking bill, for which the country has been waiting about twenty years, has been passed, and a more reasonable attitude has been adopted towards the question of railroad rate adjustment. These are all events of the greatest importance which must profoundly affect the future of the two countries, and so far as Canada is concerned we may surely feel that we are now entering upon a new and more important phase of industrial life for which our equipment

is more adequate than ever before. No more positive evidence of the need and value of such equipment could be offered than the ease with which the present year's crop was harvested, moved and warehoused. This has been done in a manner which would have seemed impossible only a few years ago, and the value of the smoothness and rapidity with which the work was handled can scarcely be estimated.

In connection with the opening of the Panama Canal, there will be held at San Francisco in 1915 the Panama-Pacific International Exposition, for the purpose of impressing upon the world the vast change in its commerce likely to accrue from this new waterway. It is peculiarly gratifying to know that in this exposition Canada will take a very prominent place. It is proposed to erect a building covering 65,000 square feet, considerably larger than the Canadian building in any previous exposition, and in this space the natural products of our country in agriculture, horticulture, minerals, forestry, fish, game, etc., will be adequately displayed. We understand that it is the intention of the Government to make this one of the best exhibitions that has ever been placed before the public in the interest of this country.

We turn to the Clearing House returns with unusual interest at such a time as the present. There are now twenty-two Clearing Houses in Canada, but leaving out two with records for part of the year only and comparing the figures of the twenty in operation a year ago, we find that there have been ten increases and ten decreases during the year, as compared with increases in every Clearing House the previous year. The increase in the total is 1.27 per cent. as against 23.74 per cent. a year ago. Increases appear in the figures of seven eastern and three western cities and decreases in those of eight western and two eastern cities. After the phenomenal increases in 1912 we may be glad that we have held our own in 1913.

Montreal, Toronto and Winnipeg, three cities which account for 72 per cent. of the total, all show increases.

The building permits of the four chief cities were as follows:—

	1911	1912	1913
Montreal.....	\$14,580,000	\$19,642,000	\$27,032,000
Toronto.....	24,374,000	27,401,000	27,038,000
Winnipeg.....	17,550,000	20,475,000	18,621,000
Vancouver.....	17,652,000	19,388,000	10,423,000

We have made the comparison for three years in view of the contraction which has begun in some cities. Toronto has just kept even and the decline in Winnipeg is trifling. The marked contraction is in Vancouver, and this no doubt represents conditions in many other western cities. In Montreal, however, there is a great increase in value, although the number of permits is practically the same. The figures for Montreal always exclude large suburbs, the building in which last year is said to approximate \$10,000,000 in value.

The comments of our Canadian, United States and English officers upon the trade and financial situation are so clearly set forth that I hesitate to repeat in any form their conclusions. It may be well, however, at such a difficult time to sum up the case as concisely as possible. The world has two problems before it: (1) How to render available a supply of money sufficient for the carrying out of such physical betterments as must be financed by the sale of securities? (2) How to enlarge the credit facilities of the world for those shorter term transactions which consist of the manufacturing and distributing of perishable goods?

The first problem can only be comfortably solved if there is sufficient money *saved*—that is, profits withdrawn from active use in business, or income not expended by the owners, etc.—to provide for the necessary borrowings of those who are expending money on permanent improvements.

For some years the world has been more extravagant than in any period known to history since Roman times, and this extravagance has been accompanied by a rise in prices which has made it very hard for those who are not extravagant, and who are the most regular in saving money in ordinary times, to put by the usual margin against life's contingencies. When securities cannot readily be sold because of a shortage in these savings, the money necessary for the short term transactions above referred to is used to some extent, but the strain produced by this cannot continue indefinitely, and such permanent improvements must lessen in volume until savings catch up and the equilibrium has been restored. The situation during the past year, however, has been aggravated by many other factors. In many countries, notably in Canada, where large sums are being expended on permanent improvements, there is a relatively small number of those who have savings to lend, and the wants of all the borrowers in all such countries have exerted upon the lending countries of the world a combined pressure greater than ever before known. On the other hand, to the extravagance of individuals represented by motor cars, palatial houses, social display, etc., beyond the capacity of their incomes, have been added colossal expenditures in war and on armaments, and for many purposes which are useless from an industrial point of view. Armaments are necessary as part of the police system of the world, but the money sunk in their creation is none the less a sad burden to the industrial world. We have thus come to a time when, coinciding, as they do, with the hoarding of money by timid owners consequent upon the Balkan and Mexican troubles, the unusual requirements coming from an almost world-wide prosperity cannot be fully met. All business activities, therefore, throughout the world, must be lessened in volume until things right themselves, which they will do quite speedily if people generally are willing to profit by the lessons to be drawn from recent experience.

The adoption of the report was then moved by the President, seconded by the Vice-President and carried unanimously.

The Vice-President then said:

Mr. William McMaster having resigned from the Board in October last, the Directors refrained from filling the vacancy, being of the opinion that under present conditions a Board of twenty members is sufficiently large. It will, however, be necessary to ask you to pass an amendment to the Bank's by-laws reducing the number of Directors to twenty-one, the existing number, and providing that when the next vacancy occurs it shall not be filled. This will reduce the number of Directors to twenty, at which figure it will remain thereafter.

I will now move, seconded by Mr. A. Kingman:

Be it enacted as a by-law by the shareholders of The Canadian Bank of Commerce assembled at the annual general meeting, held in the Board Room of The Canadian Bank of Commerce at the corner of King and Jordan Streets, Toronto, on the 13th day of January, A.D. 1914, as follows:

1. That the first sentence of by-law No. 1, adopted by the shareholders on the 12th day of January, 1909, and amended by them on the 9th day of January, 1912, and on the 14th day of January, 1913, be and it hereby is repealed and the following substituted therefor:

"The Board of Directors of the Bank shall be twenty-one (21) in number until such time as a vacancy in the Board shall occur and thereafter the Board of Directors of the Bank shall be twenty (20) in number. Three members of the Board shall constitute a quorum."

2. By-law No. 4, adopted by the shareholders on the 12th day of January, 1909, is hereby amended by inserting at the beginning of the said by-law and as the first words thereof the words—"Subject to the provisions of by-law No. 1."

The Chairman then reported that in accordance with the provisions of Section 56 of the Bank Act notice had been given to the shareholders that Mr. T. Harry Webb, C.A., of Messrs. Webb, Read, Hegan & Callingham, Montreal and Winnipeg, and Mr. James Marwick, C.A., of Messrs. Marwick, Mitchell, Peat & Company, Montreal, were eligible for nomination at the annual general meeting as auditors of The Canadian Bank of Commerce, and that Messrs. W. F. Alloway and the Honourable W. J. Hanna, respectively had given written notice of intention to nominate these gentlemen as auditors.

On motion it was resolved:

That Mr. T. Harry Webb, C.A., and Mr. James Marwick, C.A., be and they are hereby appointed auditors to hold office until the next annual general meeting at a remuneration to be agreed upon, but not to exceed \$15,000.

It was then moved by Mr. William Davidson, K.C., seconded by Mr. A. E. Ames:

"That the thanks of the meeting are due and are hereby tendered to the President, Vice-President and other Directors for their careful attention to the interests of the Bank during the past twelve months."

In moving the resolution Mr. Davidson said:

I am sure it affords the shareholders great pleasure to meet the Directors to-day. We have been coming through a period when hard times are spoken of. There is no evidence of this in the statement presented to us. It shows that the Bank of Commerce is in a position of very great strength, and one which enables it to meet any emergency which may arise. I think also it will be seen that this Bank, in common with many other large institutions in the Dominion of Canada, has done much to avert what might have been a very serious financial crisis during the past year or eighteen months in the history of this country. I have much pleasure in moving this resolution.

In seconding the motion Mr. Ames said:

I feel quite strongly that it is a great mistake for any of the shareholders of The Canadian Bank of Commerce who can do so not to be present at these annual meetings, because they have come to be recognized as the principal forum in Canada for the discussion and review of financial affairs throughout the year.

The President: On behalf of the Directors, I thank Mr. Davidson and Mr. Ames for their resolution. The year has undoubtedly been one of unusual difficulty. What one has felt regarding it was expressed in a remark made to me by a financial authority in England. It was to the effect that if Canada came through this time of difficulty and paid her dividends and coupons, thus showing that she had made good use of the money borrowed, her credit in London would eventually be better than ever.

Mr. W. E. Rundle then moved, seconded by Mr. Thomas Gilmour:

"That the thanks of the meeting be tendered to the General Manager, the Assistant General Manager and other officers of the Bank for the satisfactory discharge of their respective duties during the past twelve months."

Mr. Rundle said: The most eloquent commentary on this resolution from the standpoint of the shareholders is the Profit and Loss account, which shows net profits for the year of approximately \$3,000,000. To produce this result and to take care of \$260,000,000 of assets must impose enormous responsibilities upon the General Manager, Assistant General Manager and other officers of the Bank. One is struck, when one comes in contact with the officers of The Canadian Bank of Commerce not only with their efficiency, but with their great loyalty to the institution. I believe this is the greatest asset which this Bank possesses, and that the shareholders owe a real debt of gratitude to the staff of the Bank.

The motion was then responded to on behalf of the staff by Mr. John Aird, the Assistant General Manager, Mr. V. C. Brown, the Superintendent of Central Western Branches, and Mr. E. W. Farwell, the Sherbrooke Manager.

Mr. Aird: I have often thought that I should like some better medium than mere words for conveying to the shareholders the thanks of the staff for the resolution which they pass from year to year, and particularly so this year, in view of the very generous treatment which the staff has received from the shareholders through the Directors. The General Manager has mentioned that we now have a staff of some 3,540 men, composed largely of Canadians, but including a number of lads from Scotland, England and other countries. There seems to be an impression abroad that we do not treat the lads from other countries as well as the Canadian boys. This is not the case. I believe that we take care of our staff in a way that is not equalled by any other institution in the country, and I should like to assure the shareholders and the parents of the younger members of the staff that they receive great care at our hands and that we feel our responsibility for them. We hear a great deal to-day in Toronto of intangible assets; our intangible asset, as far as the balance sheet is concerned, is the staff, and we cannot set a value on it. It is second to none in Canada, particularly in its *esprit de corps*.

Mr. Brown: Few of the shareholders are aware that when the present administration took charge of the Bank the most formidable task with which they were confronted was not to clear away the accumulation of unsatisfactory inanimate assets which were turned over to them by their predecessors, but to build up an almost wholly new staff, to train a new generation of men in sound banking principles and inspire them with energy, initiative and pride in the institution. A year or two ago the President reminded me that it had taken all of

twenty years to accomplish this task—in other words, this was the cost, measured in time, of acquiring that particular item of the good-will of the Bank which is represented by a well-trained and highly efficient staff.

In the district of which I have charge we are continually receiving the most gratifying compliments on the calibre of the men in charge of our branches. Officers of other banks—not one or two, but several—have from time to time commented with some wonderment on the fact that wherever they meet a “Commerce” man they find him all for his Bank. Whatever may be the value of the assets which are reflected by the figures of the balance sheet, I fully believe that, as was remarked by the mover of this resolution, the Bank’s most important and valuable asset is its staff. Of course, every corporation that achieves a pronounced measure of success must have a staff above the average; but I am referring to the force derived by the Bank from the unusual quality of its staff, arising from the efficiency of their training, their belief in the institution and the resultant energy and initiative they possess. They certainly deserve, and I am sure you mean, that this resolution shall be regarded as something more than a mere formal courtesy. On their behalf I beg to thank you.

Mr. Farwell: On this, the first occasion on which I have been permitted to attend an annual meeting, it affords me a great deal of pleasure on behalf of the staff to acknowledge this vote of thanks. I feel that I express their sentiments, as a whole, when I say that we appreciate remarks such as those that have fallen from the lips of the mover and seconder of the resolution. Remarks such as these and the tangible expressions of your endorsement of our work, which were recently accorded us by the President and Directors, go a long way to promote genuine feelings of loyalty towards the Bank. May I be permitted to

take advantage of this opportunity to say on behalf of those men who formed the staff of the old Eastern Townships Bank, that it was with some feeling of uncertainty and some little doubt that we took up our new duties; but the fair and generous treatment which has been accorded us by the General Manager, his staff and our confreres generally, has entirely and absolutely dispelled any such feeling. And may I say on their behalf, that we are proud and happy to form a part of this magnificent organization. I thank you on behalf of the staff.

The Chairman then called on Mr. G. G. Foster, K.C., to move the resolution for the election of Directors.

Mr. Foster said: As a shareholder of this Bank, before I exercise the duty of moving this resolution, I want to add to what has been said a word of praise and appreciation on behalf of that body of shareholders known to you as the old shareholders of the Eastern Townships Bank.

There were some who at the time of the amalgamation submitted to it, as Mr. Farwell has said, with doubts as to what the result was to be, and it is a source of gratification and pride for me at the expiration of a year of trial such as Canada has gone through, to come here to this large body of shareholders of The Canadian Bank of Commerce, to extend to them the right hand of fellowship, and to say to them and to the world that the Eastern Townships Bank shareholders of The Canadian Bank of Commerce are not only part and parcel of this institution but are proud of the honour of being so, and pleased that they took the step which brought about an amalgamation.

I am aware, Mr. President, that there are in Canada, as I suppose every man in this room must know, disgruntled busybodies who imagine that they know everybody else's business better than he does, and because of this give evidence of their inability to know their own. I am aware that there are institutions in Canada that are jealous of every institution which widens its scope, just as

I am aware that there are men who criticise another man just as soon as he shows an ability to be bigger than his neighbour. But, Sir, it is a matter of gratification to us as shareholders of this Bank that, no matter what anybody may say, figures talk louder than the words that are circulated by people who are jealous of us, and that the shareholders of this Bank are proud of the results of this year's operations—proud also of the great influence that this Bank exercises in maintaining the equilibrium of trade throughout this Dominion. We are proud that you have been able, by that devotion which has been discussed here to-day, to bring about the result which you have, and we look forward to the years that are coming with confidence in this Bank, with confidence in the men who are behind it, and with every confidence that the great record which the Bank of Commerce has been able to achieve during forty-five years, and the Eastern Townships Bank during over fifty years, will combine to put this institution in the very leading rank among the banks of the Empire. We are pleased to be assured of the splendid financial position you occupy, to know of your assurance that you will be able to maintain the present dividend and bonus aggregating 12%, and yet take proper care of the Bank's position and provide liberally for our staff of loyal and able officers.

I beg to move, that this meeting do now proceed to elect Directors for the coming year, and that for this purpose the ballot box be opened and remain open till three o'clock this day, the poll to be closed, however, whenever five minutes shall have elapsed without a vote being tendered, the result of the election to be reported by the scrutineers to the General Manager.

The resolution was seconded by Mr. G. W. Allan and carried unanimously. The meeting then adjourned.

The scrutineers subsequently announced that the amendments to the by-laws had been passed and that the

following gentlemen had been elected as Directors for the coming year: Sir Edmund Walker, C.V.O., LL.D., D.C.L., Hon. George A. Cox, John Hoskin, K.C., LL.D., J. W. Flavelle, LL.D., A. Kingman, Hon. Sir Lyman Melvin Jones, Hon. W. C. Edwards, Z. A. Lash, K.C., LL.D., E. R. Wood, Sir John Morison Gibson, K.C.M.G., K.C., LL.D., Robert Stuart, George F. Galt, Alexander Laird, William Farwell, D.C.L., Gardner Stevens, A. C. Flumerfelt, George G. Foster, K.C., Charles Colby, M.A., Ph. D., George W. Allan, H. J. Fuller, F. P. Jones.

At a meeting of the newly-elected Board of Directors held subsequently, Sir Edmund Walker, C.V.O., LL.D., D.C.L., was elected President, and Mr. Z. A. Lash, K.C., LL.D., Vice-President.

REVIEW OF BUSINESS CONDITIONS DURING THE YEAR 1913

NEWFOUNDLAND - - - - -	The St. John's Manager
THE MARITIME PROVINCES - - - -	The Halifax Manager
QUEBEC- - - - -	The Montreal Manager
ONTARIO - - - - -	{ The Assistant General Manager
MANITOBA, SASKATCHEWAN AND ALBERTA - - - - -	{ The Superintendent of Central Western Branches
BRITISH COLUMBIA AND YUKON - -	{ The Superintendent of Pacific Coast Branches
THE UNITED STATES - - - - -	{ The New York Agent and the Superinten- dent of Pacific Coast Branches
GREAT BRITAIN - - - - -	The London Manager

REVIEW OF BUSINESS CONDITIONS DURING THE YEAR 1913

NEWFOUNDLAND

Newfoundland has enjoyed another year of moderate prosperity. Fishing, shipping, mining, railway construction, manufacturing, including the pulp and paper industry, and mercantile business have all flourished, and the year closes with very satisfactory results.

As this is essentially a fishing colony, the fishing industry is much more important than all others. During the last two years prices have been high, and the fishermen have materially improved their financial position. On the other hand, considering the precarious nature of the fish export business, the exporter has been obliged to work on a very narrow margin of profit, and one that is apparently inadequate. The fishermen are just beginning to realize the advantages of the use of motor-driven craft; probably 1,000 to 1,500 are now in use, and as there are over 50,000 men and 20,000 vessels engaged in the industry, a rapid annual increase may be expected, which in time should lead to a material increase in the catch. The year compares very favourably in this respect with 1912, the estimated value of the products of the sea being about \$12,500,000. Compared with the Maritime Provinces of Canada, and with Gloucester and Boston, the following statistics indicate that in the value of the annual catch Newfoundland takes first place:—

Newfoundland.....	\$12,500,000
Nova Scotia.....	9,400,000
New Brunswick.....	4,900,000
Prince Edward Island.....	650,000
Quebec.....	1,800,000
Gloucester and Boston.....	5,000,000

The pulp and paper industry represents an investment of \$12,000,000, the products of which are exported to

Great Britain. For 1913 the approximate value of the exports of pulp is \$350,000, and of paper \$2,000,000. Mining has been active at Bell Island, where there is an iron deposit of about 3,500,000,000 tons. The estimated value of the exports of ore for the year is \$1,400,000.

During the past two years the Government has expended about \$5,000,000 on branch railways, the cost being financed by the sale of bonds. At the end of this year the public debt is approximately \$28,000,000. The revenue for the year is about \$3,900,000; the expenditure, including the cost of the administration of the Colony and the interest on the public debt, is about \$3,800,000, thus leaving a surplus of \$100,000. Imports increased \$1,278,000, and amounted to \$16,012,000, of which Canada contributed \$5,200,000, the United States \$5,500,000, and the United Kingdom \$4,400,000. Exports were \$14,458,000, an increase of \$800,000. The investments and bank balances of the people are now estimated at over \$20,000,000, showing a moderate increase for the year. Taking all things into consideration, the year has been one of progress and the people of Newfoundland look to the future with a spirit of optimism.

MARITIME PROVINCES

The Maritime Provinces have not altogether escaped the effects of the partial check to our prosperity which has been felt generally throughout Canada. This, however, has been the result mainly of outside influences not connected with the provinces' own affairs. The beginning of the year found business conducted on conservative lines with neither undue expansion in trade nor boom in real estate. The occupations and industries peculiar to far eastern Canada have met with good average results, and are today on a sound basis. The drain on the rural population is lessening, the opportunities of the provinces are becoming better known, and they are now receiving a

considerable number of desirable immigrants. The removal of the American duties on agricultural products, lumber and fish will have an important effect on the development of their rich resources.

In Prince Edward Island the promise of an excellent harvest was not altogether realized owing to wet weather, and in some localities to early frosts; but with the very high prices prevailing for all products the net results to the farmers will be quite up to the average. The important dairying, live stock, poultry and fishing interests have maintained their former prosperous position. It is a matter of great satisfaction that the development of the natural resources of the province is at the highest point of efficiency yet reached. The breeding of silver-black foxes has received widespread attention and much publicity during the year, and has led to study and experiments along the same lines in other provinces. Investigations now being made in Prince Edward Island in connection with the breeding of other native fur-bearing animals and the Karakule sheep will be watched with close interest.

The past year has been a good one in New Brunswick. With very fair crops of all kinds, and an exceptionally large one of potatoes, accompanied by high prices generally, the farmers are in a comfortable position and in excellent spirits. They are making distinct progress in fruit-growing and the raising of live stock and poultry, and there is a new movement on foot on behalf of general agricultural education. The completion of the St. John Valley Railway will give an outlet to a rich portion of the province which has hitherto suffered from the lack of railway connection.

Conditions not dissimilar have prevailed in Nova Scotia; but owing to the partial failure of the apple crop, the net cash returns from the land will not be quite up to those of 1912. The yield of hay, potatoes and root crops was good, and an encouraging increase took place in the

production of butter and cheese. The Agricultural College at Truro maintains a high standard of efficiency, and we have pleasure in reporting a steadily increasing appreciation of the profitable results which may be produced by up-to-date farming in this province.

The lumber cut in these two provinces was not up to the figures of 1912, and was probably a little less than the average for the preceding five years. Prices for spruce deals during the first six months were never so high and netted shippers \$1.50 per thousand feet above those of the previous year. Since the middle of August labour troubles in the United Kingdom have had a bad effect on trade, and this, coupled with heavy cargo shipments, has brought prices down to \$15 per thousand feet at the time of writing. The docks at Manchester and Liverpool are now overloaded with all descriptions of lumber, including a large quantity of Russian deals, the class which we expect in a few years will dominate that market. Freight rates continued all year on a high level. Our latest reports from Liverpool are hopeful for winter and spring shipments, but the high prices of 1913 are not expected. Most of the mills have cleaned out their yards, and, except in St. John, the wintering stock will be small. Previous to May cargoes were sold in the United States at record prices, but from that time onward the market fell into extreme dullness, with a drop in price of fully \$5 per thousand feet. A fair business has been done with the West Indies. The South American market was dull, but our own local demand was excellent and now absorbs the product of most of the small operators. We expect that the cut in New Brunswick and Nova Scotia next season will be an average one.

The quantity of codfish dried for export on these shores, including that of Gaspe, has probably not been more than 85 per cent. of the average. The catch of the Lunenburg banking fleet showed a similar falling off; it

was, however, supplemented by a catch of hake seven or eight times the normal quantity. The foreign demand has been good, and quick turnovers of stocks have been made with very fair average profits to the exporter; and as the total stocks now available are estimated to be 150,000 to 200,000 quintals less than at the same date last year, the merchants look forward to a steady trade at advancing prices. There has been no decrease in the number of men following this occupation and the equipment has never been so good. The decrease in the catch is due partly to the scarcity of bait, but principally to the failure to locate the fish. We are able to report a successful season generally for the inshore fisheries, culminating in a splendid run of autumn mackerel, which has left the fishermen on the whole length of the coast in a comfortable position. The growth of the trade in fresh, frozen, boneless, cured and pickled fish with the United States, and particularly with western Canada, in the past couple of years has been remarkable; and with the growth of our west, and the removal of the American duties, there would appear now to be scarcely a limit to the possible expansion of this trade. The lobster catch was about 10 per cent. below that of 1912, but the high prices produced average results. Well-considered plans are in progress to increase the production of oysters and clams.

The output of coal for the year has reached 7,000,000 tons for the first time, the actual amount being about 7,250,000 tons, all of which has been readily absorbed. In New Brunswick there has been an increase of 100 per cent. in the output of the Minto mines. As a result of the large sums expended on development work the output of the Dominion Coal Company alone will probably reach 6,000,000 tons during the next few years. The principal new development in Nova Scotia has been carried on by the Cape Breton Coal, Iron and Railway Company.

Labour employed at the collieries is in a contented and satisfactory state, and altogether the outlook in this important industry is very bright indeed. The production of other minerals has not shown any considerable increase.

Manufacturing enterprises dependent on the local market have been successful in all lines. Many of the larger establishments with connections all across the continent show satisfactory results, and some an actual increase in business, but the recession of trade in the west affected the output of a number of industries; these, however, are, almost without exception, in a sound position and can afford to wait for better times. The steel plants at Sydney and New Glasgow have been passing through a period of readjustment, due to the problems presented by the tariff question and the unusual conditions which for two years have prevailed in this industry across the border. This readjustment has now, in a measure, been completed, and with an improvement in the American iron trade the Canadian companies should enjoy a period of increased prosperity.

General mercantile business, wholesale and retail, while not up to the high-water mark of last year, has been well maintained in all lines. Business felt the restraining influence of tight money, but no legitimate interests suffered; on the contrary, there was a wholesome tendency to take careful stock of the situation, and to be governed accordingly. Commercial failures have been insignificant, and excepting the somewhat abnormal fire waste, the general economic condition of the Maritime Provinces is good. Labour of all kinds has been abundant; and available statistics show that bank clearings, customs and revenue returns, shipping and foreign trade, and the earnings of the Intercolonial Railway have been as large as in any previous year.

QUEBEC

We are again able to record that farming operations in the Province of Quebec have been attended with very satisfactory results. The cold wet spring did not give much promise of a successful year's farming, but conditions were ideal during the summer, and in most districts the crops were well up to and, in some instances, above the average. High prices were obtained for all farm produce, and the money results to the farmer were very satisfactory. Hay, which is one of the principal crops of this province, was harvested in excellent condition and turned out an exceptionally good crop on the whole. The reduction of the United States duty on hay to \$2 per ton resulted in increased exports to American points at remunerative prices. The various cereals were up to the average and brought good prices. Root crops were generally satisfactory, especially potatoes, which brought high prices and in many districts were a record crop. Fruits did not do well and, owing to the late frosts in the spring followed by a plague of tent caterpillars which destroyed the foliage, the apple crop was a decided failure all over the province.

The dairy industry has been successfully carried on during the year. Prices have been high and its products have found a ready market. Since the reduction in the duty, large quantities of cream have been shipped across the border, the farmers finding it more profitable to ship cream than to manufacture butter. There has been a great demand for eggs, and high prices have been obtained at all seasons.

Reports from nearly every grazing district in the province are to the effect that the stock of cattle has been seriously depleted by the large shipments made to the United States under the new tariff. Even before the removal of the duty, there was a very active demand from

the United States for "feeders," and during August and September large numbers of this class of stock were shipped to the American market. With the removal of the tariff, shipments increased and the price paid in Canadian markets rose considerably. The exporting of stock cattle in large numbers will mean a very serious shortage of beef in Canada during the next year or two. Despite the good return which the farmer received for pork during 1912, there seems to be no marked increase in the number of hogs raised, and increased demand has meant higher prices. Hogs have been worth more in Canada this year than in any other country in the world, and it is to be hoped that the high prices will encourage the farmers to raise more stock, especially as there is an abundance of cheap feeding material. Lamb and mutton brought record prices in the spring and, although there was a considerable reduction in price during the fall, sheep yielded better returns to the farmer than in former years. It is to be regretted that more attention is not paid in this province to the raising of sheep, for which the conditions are very favourable.

The output of maple sugar in the Province of Quebec is about 14,300,000 pounds per annum. The amount produced this year, notwithstanding the poor outlook during the early part of the season, was up to the average with prices slightly lower than last year. The tobacco crop as a whole was satisfactory, of about the same quality as last year, with prices somewhat lower. A few instances of damage by frost are reported, but the greater part of the crop was harvested in good condition.

Logging operations were carried on last winter under very unfavourable conditions, and owing to the scarcity of snow a great part of the season's cut had to be left in the woods. There has been an active demand for lumber of every description at advanced prices. It is estimated that the price per 1,000 feet has averaged \$3 in excess of that of 1912.

The asbestos industry has shown further improvement during the year. Prices have been higher and the demand has been quite equal to the supply. The total production in 1912 was 111,175 tons—value \$3,059,084—and for the first seven months of this year the production amounted to 67,871 tons—value \$1,867,457, compared with 54,972 tons—value \$1,487,420—in the corresponding period last year. It is thought that, owing to the demand at present existing, many of the companies will keep their mills running during the winter instead of closing down as in former years.

An encouraging feature is the progress which has been made during the past year in the improvement of country roads under the "Good Roads Act" of 1912. The Provincial Government has advanced to municipalities for this purpose \$1,889,706 to date, and has also spent on government roads \$411,523, making a total expenditure of \$2,301,229 on account of the good roads movement. The Public Works Department reports the construction this year of about 225 miles of macadamized roads and about 60 miles of gravel roads. The Colonization Department has executed work on 602 miles, which makes in all 887 miles of roads which have been either built or improved.

The exports of grain from the port of Montreal during the season of 1913 exceeded all previous records, the total shipments aggregating 54,205,172 bushels, an increase of 15,286,908 bushels over the figures of 1912 and 24,311,988 bushels over those of 1911. The most noticeable increase was in flaxseed, the shipments of which amounted to 8,253,544 bushels, as compared with 39,134 bushels in 1912. The highest previous record for this grain was in 1906, when 3,175,722 bushels were shipped from Montreal. The following table shows the volume of exports of each kind of grain during 1912 and 1913 from the port of Montreal:—

	1913	1912	Increase 1913
Wheat.....	33,252,893	30,971,057	2,281,836
Oats.....	7,255,622	6,523,969	731,653
Barley.....	5,181,484	1,214,934	3,966,550
Flaxseed.....	8,253,544	39,134	8,214,410
Rye.....	210,808	169,170	41,638
Corn.....	50,821		50,821
Total.....	54,205,172	38,918,264	15,286,908

These record shipments are to a large extent attributed to the improvements in the facilities for handling grain at Montreal, and to the increased number of tramp vessels which visited the port owing to the high freight rates prevailing.

The total exports of cheese were 1,571,165 boxes, a decrease of 151,856 when compared with 1912 and a decrease of 239,501 when compared with 1911. There was again little or no export business in butter, only 1,728 boxes being shipped. Increased home consumption accounts for the decrease in the exports of both commodities. Shipments of flour were 2,747,192 sacks, an increase of 100,319 sacks over the figures of 1912. The export hay trade from the port of Montreal for the season of 1913 was the smallest for some years, total shipments being 290,051 bales, a decrease of 273,732 bales as compared with 1912 and 563,911 bales as compared with 1911. The active demand for hay from the United States, stimulated by the reduction in the duty, tended to keep prices above the basis for export to Europe. The total shipments of apples were 209,926 barrels, a decrease of 152,598 barrels compared with 1912, and a decrease of 77,184 barrels compared with 1911. There was a decrease of 3,551,597 feet in exports of lumber, the total shipments being 105,819,167 feet compared with 109,370,764 feet in 1912.

The advance in real estate prices, which reached its highest point during 1912, has ceased for the present, and the number of sales recorded and the aggregate value of properties transferred during 1913 show considerable

decreases as compared with those of the previous year. There has been very little speculative demand for real estate, due doubtless to monetary conditions and also to a general recognition of the fact that prices in many cases have been unwarrantably high. There has been, however, a fairly large volume of real estate transfers where properties were required for commercial and residential purposes, and where revenue formed the basis of value. Values have been well sustained under existing circumstances, and in the City of Montreal the Board of Assessment have increased the assessed value of every description of property. Speculative builders have been compelled during the past season to restrict their operations owing to difficulty in borrowing for such purposes, and the construction of houses and apartment buildings has not kept pace with the growth of urban population.

The figures of the Bank clearings in Montreal for the year again exceed all previous records, the total being \$2,879,000,000. The aggregate clearings for 1913, while not showing the proportionate increase of each of the previous four years, are \$34,648,000 in excess of those of 1912. The clearings for the first half of the year showed an increase of \$87,402,000 over those of the same period of 1912, but the contraction in business generally and the reduced volume of transactions on the Stock Exchange are reflected in a falling off during the later months.

While at the close of the year there are signs of diminished activities, the year's business as a whole in the Province of Quebec may be regarded as satisfactory, considering the tension in trade and finance which has existed. Some manufacturing concerns report a volume of business during the year in excess of 1912, but the amount of orders on hand for forward delivery shows a marked falling off. Collections have been slow and are still not entirely satis-

factory, but trade generally is on a sound basis and business operations are being conducted on conservative lines.

ONTARIO

There are not many people, we believe, in the City of Toronto or the Province of Ontario who realize that the area of the province has been increased within two years from about 260,000 square miles to about 420,000 square miles. This large increase in area has been the result of taking in the District of Patricia, which now forms the most north-westerly part of the province adjoining the eastern boundary of the Province of Manitoba, a few miles north of the Lake of the Woods, and thence running north and east to the shores of Hudson Bay. The people of the province, and particularly of Toronto, thus secure the advantage of several possible ports on these waters. Although little precise information is on record in regard to this new district, the Government authorities have, in a general way, satisfied themselves that not only does it contain a large tract of many million acres of good agricultural land, but that the timber therein has great value. It is known also that the geological formation indicates the possibility of mineral developments of considerable value. As to the possibility of the agricultural lands being developed, we have only to bear in mind that they are, as a rule, no further north than the rich wheat lands of Manitoba, Saskatchewan and Alberta, and it would, therefore, seem reasonable to believe that they can be settled eventually and farming carried on in the usual way.

Thus Ontario not only continues to hold the premier position among the provinces as regards the value of the products obtained directly from the soil, but it now ranks second as regards area, with 420,000 square miles, the Province of Quebec alone exceeding it with 706,000 square miles, British Columbia coming next with 358,000 square miles.

We have thought it proper to make this little digression in our Report, because, as already stated, we feel that the people of Ontario generally have not realized the possibilities of their own province, all eyes being attracted to our four western provinces. Of course, we are not overlooking the district commonly known as the clay belt of northern Ontario, where great development has been going on for several years past and where new trading and mining centres, such as Cobalt, Porcupine, Englehart, Cochrane, Haileybury, New Liskeard, Hearst and other places, have been established. Much of this development has been brought about by the construction of the Temiskaming and Northern Ontario Railway and by the settlement of the district by people principally from old Ontario.

The wealth of this province is the natural result of its having been for many years devoted to general agriculture or mixed farming. The average Ontario farmer combines the growing of grain, roots and grasses; the raising and feeding of live stock; the production of milk for the home dairy, for the cheese or butter factory, or for the city market; and the cultivation of a few acres for fruit raising. He converts a large portion of his grain, root and fodder crops into live stock and animal products—beef, bacon, poultry and the various dairy foods. From these sources he obtains a large cash return, and under this system of farming the productiveness of the soil is maintained and the prosperity of an agricultural country is prolonged. If old Ontario can successfully demonstrate the benefits to be derived from a varied system of cultivating the soil, the lesson should soon be learned by the new settlers who take up the virgin lands of the northern portions of the province.

Whilst writing of the agricultural industry of Ontario, the fact should not be overlooked that we have less than 14,000,000 acres under cultivation. In other words, apart

from our water area, we have hardly 7 per cent. of a land area of 220,000,000 acres under cultivation.

As to the results obtained by the farmer from the crop of 1913, we have every reason to be satisfied. The reports received from a large number of reliable sources indicate that the harvest, on the whole, has been an abundant one, with prices well maintained. The spring opened sufficiently early to give the farmer a good start with his work, and apart from a short dry spell, the weather might almost be considered as ideal for farming purposes. The hay crop is probably the only one which shows a yield below the average, but the decrease in yield is largely offset by its excellent quality. Spring and fall wheat show a good average yield, as do barley and oats. The principal corn-producing districts report a generous yield, with the probability that prices, owing to the large decrease in the United States' corn crop, will be higher than last year. In North Essex alone, the corn crop is this year valued at \$2,000,000. Our correspondent points out that this satisfactory result has been obtained by progressive farmers who now realize that, in order to secure larger and better crops, they must tile-drain their lands and otherwise treat them in a scientific way. It is entirely due to the observance of these important principles of farming that the returns from the district referred to have been satisfactory for several years past.

There has been a fair yield of root crops of good quality with satisfactory prices. Farmers adjacent to centres where canning factories are established are paying more attention to the raising of such vegetables as cauliflowers, onions, corn, cucumbers, tomatoes, peas, beans, etc. The results reported this year from several canning centres have been very encouraging. The following table gives the latest figures relating to the acreage and yield of the various field crops, as reported by the Ontario Bureau of Industries:—

	Acres	Bushels
Fall Wheat.....	646,533	15,945,717
Spring Wheat.....	116,581	2,068,951
Barley.....	623,658	18,255,958
Oats.....	2,699,459	98,426,902
Peas.....	177,303	3,108,263
Beans.....	66,639	1,021,243
Rye.....	118,429	1,979,775
Buckwheat.....	228,279	4,012,418
Corn (for husking).....	299,871	22,214,014
Potatoes.....	159,661	19,124,115
Carrots.....	2,400	592,016
Mangel-wurzels.....	54,568	21,935,847
Turnips.....	97,572	41,889,894
Sugar Beets.....	19,083	6,389,177
Mixed Grains.....	414,517	15,113,480
Tons		
Corn (for Silo).....	388,138	4,059,345
Hay and Clover and Alfalfa.	3,428,846	3,924,563

Turning to the mineral possibilities of the province, we find that the total value of the production of the mines has increased from \$11,500,000 in the year 1904 to \$48,500,000 in 1912, and mining authorities estimate that when the returns for the year 1913 shall have been completed the figures will show a substantial gain over those of 1912. It will be seen, therefore, that Ontario still maintains the first place among the provinces of the Dominion in the value of metallic products such as silver, nickel, iron, gold and copper. We have reason for congratulation when we consider that in the production of silver the figures of Ontario are exceeded by only two other countries, Mexico and the United States; and that the mines at Sudbury yield annually 75 per cent. of the nickel of the world. With the fresh discoveries which have been made in the same district within the past twelve months, the province will probably remain for many years to come the principal nickel-producing country of the world. Great progress has also taken place in the development of the gold mines in the Porcupine district, and the indications at the present time are that the district may become as famous as a gold camp as Cobalt and Sudbury are as

silver and nickel camps respectively. As to the Cobalt silver camp, it would appear from the published returns that the maximum weight of metal produced—31,508,000 ounces—was reached in the year 1911. The estimate for this year is 29,500,000 ounces, with an estimated value of \$16,800,000, as against 30,200,000 ounces last year, with a value of \$17,408,935. The reduction in the output within two years is not very great, but it appears to be the opinion of conservative mining men that this particular district has reached its maximum annual production. There is still, however, a vast quantity of valuable ore in sight, and Cobalt will undoubtedly continue to be an important factor in the world's production for many years to come, while it is not unreasonable to suppose that in a region of 5,000 square miles other rich deposits will be found. The average price of silver per ounce for 1911 was 53.30 cents, for 1912, 60.83 cents, and for 1913 it is estimated to be between 59 and 60 cents. Were it not for the demands of India and China, it is probable that the price would not be so well maintained. The customs and habits of the people of these countries, however, change slowly, and we can therefore look with confidence for a continuance of a profitable market for our output for some time to come. To complete the records of our previous report, we give below the value of the production of the camp since it was first opened, namely:

1904.....	\$ 111,887	1909.....	\$12,461,576
1905.....	1,360,503	1910.....	15,478,047
1906.....	3,667,551	1911.....	15,953,847
1907.....	6,155,391	1912.....	17,408,935
1908.....	9,133,378	1913 (estimated)	16,800,000

A total for the ten years of \$98,531,115.

The Porcupine gold camp is comparatively a new field, and in the short course of its existence it has met with many setbacks. In 1911 the district was visited by destructive fires, which resulted in extreme dullness during 1912. In the present year development work has been interfered with

by labour troubles and by a serious flood, the former lasting for six months from November, 1912, while for two weeks in the spring of 1913 a large part of the town was under water to a depth of three feet. Notwithstanding these drawbacks, however, the value of the gold produced has increased from \$2,100,000 in 1912 to an estimated production of \$4,235,000 for 1913. There are at present employed in the mines some 1,300 men, and the development work which has been done in the more important properties indicates that there is a very large quantity of the precious ore in sight. We can, therefore, place some measure of confidence in the statement of those interested in the development of the camp that the year 1914 will show an output of gold valued at \$8,000,000 with 2,000 men employed in the several mines.

The production of logs in the Ottawa valley and northern Ontario during the winter of 1912-13 ran short of that of the previous season by 15 to 20 per cent. The reduction is attributed largely to the low water in the Ottawa and Gatineau Rivers, which has prevented the running of the mills at full capacity, and from the same cause the cost of the output has been considerably increased. During the early part of the year the demand for lumber was quite heavy, the prices for the lower grades were very firm, and were probably the highest in the history of the industry; towards the summer months, however, there was a heavy shrinkage in the number of orders, although there was no marked reduction in prices. As to the future, the price for first and second quality of deals is considerably lower than last year, but third and fourth grades are practically unchanged. All grades of good lumber show a reduction of 5 to 10 per cent. in price, whilst the middle grades are about the same as last year, although less saleable than other grades. The lower grades have shown a slight appreciation in value in the market. Waney timber has

suffered a very decided shrinkage in price, varying from 20 to 30 per cent. per cubic foot. The cost of labour at the mills is somewhat higher than last year, but this is offset to some extent by the lower wages now being paid for men in the woods. Retail stocks in Canada, the United States and England appear to be light, judging from information recently received, and with any pronounced revival in business, the industry should be easily maintained on a profitable basis. The removal of the duty, ranging from \$1.25 to \$2.25 per thousand feet on lumber imported into the United States, will be very helpful to our manufacturers. It is fully expected that this will prove a considerable incentive towards shipments next season, and will allow the product of the Canadian mills to be marketed to a greater distance south of the boundary line than has been heretofore practicable.

In the early spring the prospect for a heavy yield of all fruits was very promising. The frosts which occurred in May during the period of fruit bloom, however, had a serious effect on the yield of apples, which is not above half the normal. Of other fruits there has been an abundant yield, more especially of peaches and plums. Indeed, the yield of peaches was so abundant that much of the crop was wasted owing to the inability of the canners to make use of it. The season, however, has been a prosperous one for the fruit growers, owing to the heavy demands of western Canada, where Ontario fruit is more favourably looked upon than formerly, and is now given a preference over fruit imported from the United States. This has been brought about within the past few years by the use of improved methods of packing, by shipping selected fruit and by a system of rapid transit in refrigerator cars. To insure a continuance of the western market for Ontario fruit, the Fruit Growers' Association of the Niagara district have a resident agent in Winnipeg, who attends to all carload shipments and

sees that when a district requires supplies of fruit the orders are promptly filled. The plan which has been put into operation by the fruit growers of the Niagara Peninsula might be adopted with advantage by the other fruit-producing districts of the province.

The dairy industry has always taken a very important place among the various branches of our agriculture, and whilst the money results from the various products have probably this year, as a whole, been profitable, yet we feel there is some cause for concern lest the industry should suffer a serious setback for reasons which have only recently been brought to light. We refer particularly to the large decrease in the number of milch cows in the province between the months of July, 1912 and 1913; namely, 12,138. We have good reason to fear also that during the latter months of 1913 this decrease has been considerably augmented. The slaughter of these animals and the indiscriminate export of them to the United States has brought about this deplorable condition of affairs. It will be easily seen that any continuance of such a course cannot but work to the detriment of the dairy industry of the province, and thoughtful agriculturists should pause and consider whether temporary high prices for beef secure in the end the best financial results. We are inclined to think not, but that, on the contrary, the best results are obtained through the cheese factories and creameries, coupled with the production of pork, which is the natural complement of this industry. We think it well to quote here the report which we have received from a central point of old Ontario, which only a few years ago was regarded as in the front rank as a cheese-producing district:—

“During the past year farming has undergone a great change from the previous methods, and cheese making and its allied business, hog raising, are being rapidly discontinued. The enormous demand for milk from the cities and for condensed milk has caused the

value of milk to rise to such figures as to render cheese making and hog raising unprofitable. The farmers are producing milk and milk only. They sell their calves as soon as possible, and the quantity of cheese made is daily growing less and promises to disappear altogether."

The condition of the live stock industry of Ontario is even more unsatisfactory than that of dairying. The province has heretofore been regarded as the home and nursery of live stock for Canada, owing to its climate, soil, water, nutritive grasses, etc. If we are to maintain this position, the methods which have prevailed during the past few months must promptly be changed, as not only the live stock industry of Ontario, but the whole of Canada has suffered seriously by the wholesale selling of cattle, particularly for export to the markets of the United States. It is estimated that from Ontario alone upwards of 100,000 cattle have been shipped to the United States since that country removed the duty in October last on cattle brought from Canada. We believe, however, that our farmers are now beginning to realize the error made in disposing of their holdings of cattle at the first advance in prices, instead of retaining them for breeding purposes. It will, however, take a considerable time to replenish the depleted stocks, and fancy prices will undoubtedly have to be paid for some time in the future. It is probably a question, too, for the Provincial Government to consider whether by the introduction of legislation prohibiting the slaughter of female calves and heifers under a certain age, a better condition of affairs as regards cattle cannot be more speedily brought about. Apart from cattle and horses, the other branches of the live stock industry, such as sheep, lambs and hogs, notwithstanding some decrease in numbers, are in a satisfactory condition as far as the farmer is concerned, prices having been well maintained throughout the year. As to horses, we cannot speak so hopefully, although the raising of them

continues to play an important part in the farmer's business. A careless system of breeding appears to be creeping into some districts, and dealers apparently are now satisfied with animals inferior in breed to what was regarded as a standard a few years ago. Doubtless this situation has been created by the drop in the price of the ordinary work horse, consequent upon his being superseded very largely by the modern traction engine. One encouraging feature of the horse trade, however, is that good prices can yet be obtained for the better class of stock.

The latest returns furnished by the Department of Agriculture for the Province of Ontario indicate the holdings of live stock to be as follows:—

	1st July, 1912	1st July, 1913
Horses.....	742,139	751,726
Cattle.....	2,624,780	2,628,845
Sheep and lambs.....	1,021,848	996,155
Swine.....	1,702,652	1,618,734
Turkeys.....	660,843	699,861
Geese.....	362,674	389,173
Ducks.....	415,251	497,734
Other fowls.....	11,586,215	11,924,615
Wool clip	3,669,419 lbs.	3,647,245 lbs.

While manufacturing interests and wholesale and retail merchants in large and small centres do not report as active or as profitable a business as in the year 1912, the results show that at least average profits have been realized. The outlook towards the end of the year for a continuance of satisfactory business conditions during the year 1914 is not as encouraging as we should like. We shall not be surprised if many lines of trade and manufacture show a reduced turnover when compared with that of 1913.

The city of Toronto and other leading cities and towns of the province have made satisfactory progress and the figures of our clearing houses indicate that an active trade has prevailed during the greater portion of the year.

MANITOBA, SASKATCHEWAN AND ALBERTA

Taking the three prairie provinces together, the four principal grain crops may be said to have given a yield this year which is satisfactory in quantity—slightly in excess of last year—and has never before been equalled in quality. In nearly all Alberta, and in some portions of Saskatchewan and Manitoba, the yield per acre was the best in several years, while over the whole territory the grade has been uniformly excellent. Our estimate of the total crop is as follows:—

	Total Yield	Average Grade	Average Price	Net Value to Farmers
Wheat.....	189,649,000	1½	62	\$106,732,300
Oats.....	229,546,000	2½	23	49,805,500
Barley.....	51,161,000	3½	28	13,205,000
Flax.....	12,563,000	1	90	10,440,000
	482,919,000			\$180,182,800

The amount of grain required for seeding purposes has been deducted before computing the net value. Harvesting was finished at an unusually early date, with the result that the proportion of the crop which was marketed by the close of navigation was unprecedentedly large. The number of bushels of grain inspected at Winnipeg from September 1st to November 30th was 145,348,125, as compared with 92,308,400 in the preceding year.

Grain prices have been lower than last year, with the result that the gross returns to the farmers for their high-grade grain will not be appreciably greater than those of the low-grade crop of 1912, but this year's crop was harvested under much more favourable weather conditions and at a lower expense for labour, so that the net returns will be better. Farmers engaged in mixed farming have done well. The better class of grain farmers have also improved their positions, while of the

remainder, some have only held their own and the poorest have gone behind. In a new agricultural country being settled with such rapidity, it is inevitable that a considerable percentage of the men taking up land should be inexperienced and incompetent farmers, and the process of eliminating the unfit has been greatly accelerated by the conditions of the past two or three years.

Weather conditions in the spring prevented farmers from doing the desired amount of spring ploughing, and many adopted the expedient of sowing on stubble instead of being content to summer fallow—19 per cent. of the acreage under crop having been seeded on stubble. The yield from such seeding was extremely disappointing, and the sharp lesson learned is certain to be of lasting benefit in inducing better methods of tillage. Favourable weather this fall over most of the country has permitted the farmers to do much more fall ploughing than usual; a considerably increased area was under summer fallow in the past season; and with 5 to 10 per cent. of new breaking the area under crop in 1914 will show a large increase, with conditions as to the preparation of the soil the best in years.

The high prices for grain which ruled prior to 1912 now appear to have been detrimental to the best development of agriculture in the West, by reason of the fact that the profitableness of grain growing encouraged many farmers to assume heavy liabilities in acquiring additional land and over-buying implements, while at the same time it removed any incentive to go into mixed farming. Conversely, the low prices of the past two seasons are clearly operating to the ultimate great advantage of the country as a whole. From nearly every district in all three provinces comes the report that many farmers are going in for live stock and dairying as fast as their means will permit. The capital required in the slow process of cattle raising limits the ability of farmers to take up this industry; nevertheless, our reports indicate that the cattle holdings of farmers have

increased during the year by about 10 per cent. The growth of the sheep industry has been highly satisfactory, while the increase in hog raising has been remarkable. The development in these two branches of live stock is best indicated by the following figures of the numbers of animals shipped by the Canadian Pacific Railway for the twelve months to September 30th:—

	1912	1913	Increase
Hogs.....	152,621	510,287	234%
Sheep.....	123,772	335,618	171%

The greatest development in live stock raising is in Alberta, that portion of the province north of the main line of the Canadian Pacific Railway being almost altogether given over to mixed farming. Throughout the remainder of the three provinces the movement has received an impetus sufficiently strong to remove any danger of exclusive grain farming being continued to the point of soil exhaustion, as was the case in the north-western States before mixed farming commenced to develop there.

The stringent money conditions which have prevailed in Canada, as well as in other countries, effectively checked the speculation in real estate, and it is hoped that it will be a long time before we are again troubled with a condition in which outside properties are sold at inflated values. The collapse in real estate speculation has served to confirm the views we expressed a year ago. Residential property of a good class is unaffected, and central business properties in the larger cities have been shown to be strongly held by bona fide investors, and no marked shrinkage in values is apparent. In Winnipeg, for example, the bargain hunter has had no opportunity to acquire a foot of property in the best business blocks in Main Street or Portage Avenue. The

losses on inflated outside properties—which will doubtless be severe before the readjustment of values is completed—will fall almost wholly on professional real estate operators and innumerable small speculators. The prosperity of the purely commercial classes, apart from the dealers in luxuries, will be indirectly affected only in a moderate degree; while, as to the banks and mortgage lenders, the collapse in speculative property values has been long looked for by them, and is welcomed as remedying a situation which was doing the country great harm. The falling off, however, in the flow, from abroad, of money for investment in mortgage loans—due more to money stringency abroad than to conditions here—has been a seriously adverse factor, and has prevented the undertaking of many building operations fully warranted by the legitimate development of the country. Doubtless an improvement in European money conditions will before long have the effect of remedying this condition, when building operations must be largely increased.

Spruce lumber manufacturing, as well as the retail lumber business, has naturally suffered from the curtailment of building operations, sales since midsummer having fallen to very low figures. Since the crop was harvested, however, inquiries for lumber have become more numerous; a smaller cut of logs is planned for the ensuing winter; and as the removal of the United States duty on lumber will lessen the pressure of competition from the mills of British Columbia and northwestern Ontario, there appears to be good reason to hope for a distinct improvement of conditions next spring in the northern lumber industry. The cut of 1911 was 239,574,000 feet and that of 1912, 244,268,000 feet. The figures of 1913, when available, will probably show some reduction, while in 1914, as already indicated, there will be a considerable curtailment of logging operations owing to the larger stocks of lumber being carried over by the mills.

The trade in other building materials has also, of course, shown a marked decrease, while the same is true of sales of farm implements. On the other hand, wholesale and retail trade in clothing, boots and shoes, foodstuffs and all articles other than luxuries, shows practically no diminution, and the distributing trade in staple commodities has had another prosperous year. This is shown by the following table comparing sales and collections for the year ended October 31st, 1913, with the preceding twelve months, which has been prepared from information obtained from important wholesale houses in the principal cities of the Central West:—

	Sales	Collections
Dry Goods.....	- 4 per cent	+ 8 per cent.
Clothing.....	+ 1 "	+17 "
Boots and Shoes.....	- 1 "	+10 "
Groceries.....	+ 1 "	+ 5 "
Fruits.....	+10 "	+ 6 "
Hardware.....	- 1 "	+13 "

The freer circulation of money arising in the past from the profits of real estate speculation led to the establishment of an excessive number of retail stores in the cities, and many of the recently established ones will probably be eliminated after the turn of the year; but reports from merchants with an established trade indicate that the volume of their business is being well maintained.

The implement companies admit that in the period of high grain prices they dispensed credit to the farmers too liberally, with the result that they have been carrying an unduly large amount of past-due farmers' paper. Consequently, at the commencement of 1913 they adopted an extremely conservative selling policy. Their conservatism was supported by the indisposition of the farmers to buy more than absolutely necessary, and in the case of heavy and expensive machinery, such as threshers and tractors, there has been a reduction in sales of at least 65 per cent., while sales of all other implements were reduced by about

33½ per cent. On the other hand, against a total farmers' implement indebtedness at the end of 1912 estimated at \$60,000,000,—a considerable portion of which had of course, not then matured—the collections of the current year will fall not far short of \$20,000,000, if they do not appreciably exceed these figures. While the aggregate amount now past due is still much too large, a material improvement has been effected, and with a continuance of the present policy for another year the position should be largely righted. The larger mortgage lending institutions practically all report that interest payments in arrears are appreciably less than in the previous year.

Railway construction work in the three provinces is reflected by 1,738 miles of new track laid in 1913, compared with 1,236 miles in 1912. The new work planned for 1914, most of which has already been financed, will probably involve much less new grading, but not less than 1,315 miles of new track should be laid on grading now about completed. The settlement of new land will necessitate a large amount of new branch lines and more double tracking in the next few years, and the decline in railroad building will, therefore, be gradual, and will not involve a violent readjustment of the labour problem.

The coal mining industry of Alberta—second only in importance to agriculture—is making very satisfactory progress. Most of the principal mines have had a prosperous year, and a considerable amount of capital has gone into new development and the opening of new mines. The output for 1912 was about 3,500,000 tons, the figures for 1913 are not yet obtainable, but are certain to show a considerable increase over those of 1912.

The criticism of our municipal securities which was engendered a year ago by the great volume of such securities offered, and which, combined with a world-wide money stringency, left us suddenly and for several months with

practically no market for the issues of the less important municipalities and a badly narrowed market for issues of even the best of our larger municipalities, has produced results of great and lasting benefit as regards the financial policy of western municipalities. Heretofore, our municipal securities have sold so readily that municipalities had no difficulty in borrowing from banks in anticipation of a sale of debentures later in the year; but the experience of this year has resulted in a declared change of policy on the part of the banks, so that hereafter municipalities will have first to arrange for a firm sale of their debentures before undertaking capital expenditures. This is certain to obviate a recurrence of the financial difficulties in which so many of our municipalities were involved during the past year. While the capital expenditures of western municipalities have not, as a rule, been carried to dangerous lengths, the mistakes made have been sufficiently numerous and costly to attract attention and prejudice investors against the debentures of the smaller and newer municipalities. As a consequence of this situation, a proposal first put forward by ourselves that a Municipal Commission or Local Works Board should be appointed in each province, to pass upon the capital expenditures of municipalities, has now been adopted by the Province of Saskatchewan, where a Bill has been introduced providing for "the appointment of a Board of Local Loan Commissioners" to consist of three members with a ten-year tenure of office. We think that the Government may be relied upon to select the best men available for this Board, and on this assumption all financial authorities are agreed that the effect of this legislation will be to strengthen the confidence of investors in the soundness of the securities of Saskatchewan municipalities.

During the year the Royal Commission on Agricultural Credit appointed by the Saskatchewan Government completed its labours, and its report shows every evidence

of a painstaking and thorough inquiry. While we cannot agree with some of the deductions made by the Commission from the facts that they have gathered, the report will doubtless ultimately be of benefit in the consideration of the question of co-operative organization of the farming community. A successful system of co-operative agricultural credit cannot, however, in our opinion, be created merely by legislation; for an agricultural credit bank would be obviously premature in a country where for every one dollar on deposit by farmers they require to borrow five. The Saskatchewan Government is entitled to much praise for the manner in which the question has thus far been handled, but we believe that the attainment of the object in view would be greatly furthered if attention is concentrated for the present on the adequate organization of means for disseminating the immensely valuable knowledge now available only in our agricultural colleges and experimental farms. For instance, this might take the form of a staff of permanent travelling lecturers to demonstrate to the farmers the most successful methods of modern agriculture. We think the Government, by taking some such course, would be rendering a great service not only to their own province, but, by example, to the whole of Canada. To realize what may be done in this way, it is only necessary to examine the record of the remarkable development of intensive agriculture which has been brought about by such methods in the near-by States of North Dakota and Minnesota during the past few years. At present most of our western farmers are out of touch with the centres of information, and the average farmer is disinclined to adopt new methods the value of which he has not seen practically demonstrated. Nothing would conduce more to lower interest rates than an increased prosperity of the agricultural community, and the best friends of the co-operative movement will be those who press to have whatever financial aid it is in the power of

the Government to give, applied first to bring about a widespread adoption of the most approved methods of agriculture.

The general rate for small farmers' loans from banks in well-settled districts, except during the recent period of dear money, was 8 per cent., and the fairness of this rate is not open to question when compared with 6 per cent. accorded to commercial accounts in the larger centres. Nor can the rate of 8 per cent. for the best class of farm mortgage loans, which prevails under normal money conditions, be regarded as exorbitant, having consideration for the undoubtedly greater risks attending loans in a new and sparsely settled country. The records of the land mortgage companies will show that not so long ago farmers in Ontario paid 10 to 12 per cent. for mortgage money, on the instalment system then in vogue, and that in recent years, and for a considerable period, the rate fell as low as $5\frac{1}{2}$ per cent. There is no reason to doubt that, as the settlement of the western country proceeds, the cost of mortgage money will tend downwards, and that the results which it is now hoped to achieve in a leap by legislative action would be largely brought about by natural laws in the natural course. What the western farmer most needs at this juncture, in our opinion, is not cheap credit nor more credit. The farmer who is really deserving of credit can afford to pay the market value of money; while, as to the others, credit has hitherto been too cheap whatever the price.

BRITISH COLUMBIA AND YUKON

During the past year British Columbia has, naturally, suffered from the effects of the prevalent financial stringency, both because of the difficulty in financing new enterprises and the impossibility of enlargement in business already established. Of course, real estate felt this most

keenly, although the stoppage of speculation will be the reverse of detrimental to the province. Municipalities have experienced difficulty in financing improvements, which were in many cases commenced without previous arrangements for the sale of the relative bonds; this applies to the smaller towns and districts as well as to some of the larger corporations. The consequent sudden stoppage of work has had the effect of throwing many out of employment and of reducing the general volume of business in the respective communities. The municipalities have, we think, received such a lesson that a tendency to extravagant expenditure will not be likely to reappear for many years, and more care will be taken to provide in advance for their financial requirements. In the cities the result has been a reduction in the floating population, followed by a lowering of the rentals of residential and business properties. Throughout the province centrally located real estate has been held at fairly steady prices; it is in the outlying districts and in the subdivisions, which have been created far in advance of the requirements of the community, that the serious drop has taken place. Farm and fruit lands are still held at figures somewhat too high; this naturally retards progress, but settlers, mostly of the better class, continue to enter in a fairly steady stream.

In the main centres at the coast wholesale merchants complain of collections, but in the interior they report that they are fairly satisfactory; and it is to be noted that in many instances retail merchants are adopting the cash system.

Agriculture is showing steady progress, and in the main has been prosperous. Dairying and poultry raising have received more attention; for both of these industries excellent opportunities of extension present themselves. While the climatic and other conditions throughout the province vary considerably, it may be said that the crops of hay, grain and roots have been satisfactory,

both in quantity and in price. In hops, while the area is small, the results have been gratifying. In fruit a better year has been experienced; prices were higher and the selling organizations brought quicker and better returns to the grower. In one or two of the sections devoted to this industry, damage from fire blight has occurred. From the Okanagan Valley 1,583 cars valued at \$1,200,000, were shipped by rail, in addition to shipments by express, statistics of which are not procurable, although such shipments are said to exceed those of last year. Cattle wintered well, and while there has been a reduction in the number on the ranges, prices have been excellent. Last year $6\frac{1}{4}$ cents per lb. live weight was paid; this was a record figure, but this year the price advanced to $7\frac{1}{2}$ cents; and while it has since receded, owing to the results of the lowering of the United States' tariff proving less beneficial than was expected, the demand continues and ranchers are, generally speaking, prosperous. The demand for horses has decreased, and prices have been lower. Farming is now extending well into the interior, in consequence of the advent of the railways and the construction of excellent roads in every direction by the Provincial Government.

In the fisheries on the Fraser River this was the quadrennial year, when the large run is expected, and the catch is estimated at 732,059 cases. The price paid the fisherman was abnormally high—15 to 25 cents per fish, as compared with 10 to 15 cents in 1909, the corresponding big year in the cycle. Fishing in northern waters has been unprofitable, a condition ascribable partly to the low temperature of the water. As most of our canners have establishments in each district, the result has been that the losses in the north have been considerably more than offset by the gains elsewhere. While market prices for cohoes, humpbacks and the cheaper grades of fish have ruled low, those for the better qualities have been satisfactory, and practically the entire pack has been sold. The value of

the British Columbia fisheries for the year is stated to be \$8,540,000, all but about \$1,000,000 of this amount being the product of the salmon fisheries. The following are the figures of the catch of salmon for the last three years in which there was a heavy run on the Fraser River:—

	Province	Fraser River
1905.....	1,167,460 cases	877,136 cases
1909.....	919,951 "	567,203 "
1913.....	1,353,901 "	732,059 "

It is believed that in the herring fisheries there are enormous possibilities which are likely to be developed in the near future. One large company has the control of the whaling industry, the results of which for 1913 have been unsatisfactory, the number caught having dropped to 705 whales, as compared with 1109 last year. The price of the oil product, however, has improved by 20 per cent.

At the beginning of the year the outlook for the lumber business was good, but mainly through the financial depression a change took place in May and quietness has since prevailed in this market; both demand and prices have fallen to such an extent that it has been necessary for some of the mills to shut down and for others to curtail production. Much benefit to this industry is still confidently expected from the opening of the Panama Canal and a marked change in conditions is looked for shortly after the commencement of the new year. Stocks in the prairie provinces are now at possibly the lowest point which they have touched for many seasons, and as half of our product goes to that section of the country, it is evident that a demand must arise shortly. The following are the figures of lumber production in the province during the past three years:—

1911.....	1,189,000,000	feet B.M.
1912.....	1,330,000,000	" "
1913.....	1,120,000,000	" "

The figures of 1913 for the months of November and December are estimated. From the Kootenay district considerable quantities of lath and shingles have been shipped to Chicago; on the other hand, the importation of American lumber has continued. Upwards of 190,000,000 feet, equivalent to about 17 per cent. of the output of British Columbia, were sold during the past year in the prairie provinces.

At the coal mines on Vancouver Island the strike, which was reported a year ago, has continued more or less throughout the twelve months and has extended to the district in the southern portion of the island. Because of this the output of the whole province, which in 1912 amounted to 3,025,709 long tons, has fallen this year to 2,696,662 tons. A reduction in the output of the Coast district of 502,126 tons was offset by an increase in that of the Kootenay district amounting to 173,079 tons, the net reduction thus being 329,047 tons. During August relations between the strikers and the strike-breakers became so acute that serious riots occurred on Vancouver Island, requiring a strong body of troops for their suppression. In the Crow's Nest district—the other important coal-producing section—there have been no troubles to note, and the demand for coal and coke has been active, following the change in the United States tariff.

The figures of the production of metalliferous mines for 1913 are not yet available; but in 1912 the value reached \$30,076,635, an increase of \$8,700,000 over the figures of 1911. It is not expected that this year will show any great variation. Of copper the Boundary district produces the greater part; the quantity for the year, October and November figures being estimated, amounted to 30,000,500 lbs., valued at \$4,642,601. The average price this year was 15.277 cents per lb., as compared with 16.34 in 1912, when the production was 33,000,372 lbs. At the present

quotation, copper continues to return a good profit to the mine owners. In the Boundary district mines hitherto regarded as prospects only are now being opened and a more hopeful feeling prevails.

The following are the combined figures of the building permits of the cities of Victoria and Vancouver:—

1905.....	\$ 3,207,250
1910.....	15,523,410
1911.....	21,912,957
1912.....	27,596,477
1913.....	14,461,000

The figures of 1913 disclose an enormous falling off, ascribable mainly to the tightness in money and to the general depression in real estate.

Railway construction still progresses actively, and the two new transcontinental lines and that from the Boundary district, connecting the main line of the Canadian Pacific Railway with the coast, should be in full operation within twelve to fifteen months; this will be followed by the opening up of large areas of land suitable for agriculture and fruit-raising, and by the development of mining properties which it has hitherto been impossible to work. It is satisfactory to note that during the year shipping, both inwards and outwards, has increased by 25 per cent.

In the Yukon the situation has changed but little in so far as the production of gold is concerned. The figures for 1913 are about \$5,110,000, as compared with \$5,000,000 in 1912, and the country is now, even more than it was a year ago, in the hands of the large companies. A discovery of placer ground which it is believed will prove to be important has been made in the Shushanna district on the Alaska side of the line, about 180 miles from Dawson and about 300 miles from White Horse; the ground is said to extend to the Canadian side, but this has not yet

been confirmed, and in the meantime judgment as to the value of the find, so far as Canada is concerned, must be suspended. No progress has been made in quartz gold mining, but near White Horse the copper mines have been worked steadily with hopeful prospects for the future. The ore shipped this year has amounted to 47,000 tons, as compared with 20,000 tons in 1912.

UNITED STATES

I.

Since our last annual report the Congress of the United States has revised the customs tariff and passed a new Act, which became effective on the 3rd October last. While it is expected that the reduced customs rates will enlarge imports, the total in October was about \$45,000,000 less than that of the same month in 1912; but the effects of the Act, in this and other directions, will probably not be evident for some time yet.

In general, business would seem to be slowing down, as evidenced chiefly by that barometer of trade the steel industry, in which it is reported that production is being curtailed and men laid off. Manufacturers in other lines are said to be reducing their output and working force, and railway earnings are falling off. Merchandise sales are still in large volume, but the wants of buyers are principally for immediate delivery.

Money has been reasonably easy during the year. In the later months the situation was helped by the action of the Secretary of the Treasury in placing at the disposal of banks throughout the country nearly \$35,000,000 for crop-moving purposes, with the understanding that these funds would be gradually repaid to the Treasury, beginning in January, 1914. In considering the future of the money market, however, it is to be borne in mind that a very large

amount of bond and note obligations of railroad and industrial corporations must be paid or renewed within the next three years. The currency measure which has recently become law will have a very important and far-reaching effect upon the present banking and monetary systems of this country. Business on the New York Stock Exchange has been much restricted, the estimated volume of transactions for the eleven months to 30th November being much below that of 1912.

Imports and exports for the eleven months ended 30th November last, and for the corresponding periods in 1912 and 1911, are as follows:—

	1913	1912	1911
Imports	\$1,608,829,000	\$1,664,270,000	\$1,391,684,000
Exports	2,250,929,000	2,148,617,000	1,867,619,000
Excess of Exports	\$642,100,000	\$484,347,000	\$475,935,000

The following estimates of the leading crops of 1913 recently appeared, and are compared with those of 1912:—

	1913 Bushels	1912 Bushels
Corn	2,446,988,000	3,124,746,000
Wheat	763,380,000	730,267,000
Oats	1,121,768,000	1,418,337,000
Barley	178,189,000	223,824,000
Rye	41,381,000	35,664,000
Cotton	13,677,000 Bales	13,820,000

For the eleven months to 30th November failures numbered 12,881, with liabilities of \$252,300,000, as compared with 12,502 failures and liabilities of \$180,353,000 in 1912.

II.

In Washington, Oregon and California, the three Pacific coast States in the chief cities of which we have branches, prosperity has continued.

In Washington business has been steadier than for some years and speculation has practically disappeared. Money has been fairly easy in the face of different conditions prevailing elsewhere. In this State agriculture has been prosperous, the products of the farm being valued at about \$70,000,000, \$4,000,000 less than last year; the yield of hops has again fallen but with an offsetting increase in prices. Fruit is estimated to produce \$15,000,000 to \$20,000,000 this year, as compared with \$11,000,000 in 1912; the quantity has been less but prices higher, and fruit growers have more than recouped themselves for their losses in 1912.

In lumber the demand reported last year was not maintained, and prices have been in a chaotic state; but values of logs have ruled high, production keeping within demand. The market for standing timber, as heretofore, has been strong.

The outlook of the fishing industry at the beginning of the year was not bright, owing to the heavy carry-over from 1912, but all the cheaper grades have since been disposed of, though at prices unprofitable to the canners, and the announcement of the large operators that they would hold over at least one-third of the sockeye pack till 1914 had a steadying effect upon the market and created a return of confidence. The figures of the pack for Alaska and Puget Sound are given below—

	1912	1913
	Cases	Cases
Alaska.....	4,094,937	3,615,000
Puget Sound.....	378,000	2,390,000
	4,472,937	6,005,000
Value.....	\$20,400,000	\$24,900,000

It should be noted that the reduction in the Alaska catch has been almost entirely in the cheaper grades, the prices of which have not dropped below those of last year.

The better grades have sold at approximately 20 per cent. under the prices of 1912. The production of mild cured salmon and the trade in frozen salmon are both increasing.

From Oregon the exports of grain this autumn have fallen below expectations, owing to high freight rates, but the wheat crop of the three states, Washington, Oregon and Idaho is stated to be 63,000,000 bushels, or about the same as in 1912, prices ruling strong. Of barley and oats 35,500,000 bushels have been grown in the same territory, an increase of 1,500,000 bushels over the quantity produced in 1912. Of hops the yield in Oregon this year was 135,000 bales, a gain of 25,000 bales over 1912, with much higher prices. In the lumber and fruit industries conditions in this State resemble those in Washington.

In California a dry year in 1912 was followed by a similar season in 1913, which in some measure checked progress, but the arrival of new settlers and the large additional acreage brought under cultivation through irrigation, have contributed to produce the largest crops in the history of the State, and to stimulate other industries. Cattlemen and graziers have not done so well as usual, but fruit growing still prospers, and both growers and canners have done well. The total pack of canned fruit is estimated at about 4,300,000 cases, with about 2,600,000 cases of canned vegetables, and the markets have been favourable. Grain again shows a falling off, the production being 543,000 tons in 1913, as compared with 755,000 tons in 1912. In petroleum the estimated production of 100,000,000 barrels, valued at \$45,000,000, exhibits an increase of 25 per cent. over that of last year.

In the Hawaiian Islands the predictions in our last report of a lower output of sugar have been fulfilled, the estimated figures of this year, namely 525,000 short tons, representing a reduction of 75,000 tons; prices, too, have

been lower—\$3.20 per 100 lbs., as compared with \$4.06 last year. Many of the sugar companies in these islands have suspended dividends and otherwise prepared themselves for the removal, two and a half years hence, of the duty on raw sugar. It is believed that well-managed properties will be able to continue under the altered conditions, though earning smaller profits.

The California lumber market has been weak, but the demand from Australasia has been excellent, prices ruling lower in sympathy with local conditions.

It is gratifying to note that San Francisco has, since the fire of 1906, been re-built on a much larger and better scale, about \$11,000,000 having been expended during the past two years upon the improvement of the waterfront alone.

GREAT BRITAIN

Many adverse factors have affected the political and financial world during the past year, a state of war in the near East, revolution in China, rebellion in Mexico, unrest and strikes at home, and strained relations between the great groups of the Powers, the result of all which has been to leave many countries in a condition of extreme financial exhaustion, with the usual diminution of their purchasing power. Despite the effect which these unsettling factors have had upon the financial condition of the country, the trade of the United Kingdom has continued to increase, and only recently has any slowing down been noticeable. All trades, with few exceptions, have been working full time, employment appears to have been general, and results have in many instances been of a satisfactory character. The restrictions now being placed on fresh borrowings and the troubles prevailing in so many countries which trade largely with Great Britain, are, however, having their natural effect, and the falling off

above referred to would have been more noticeable had it not been for the manner in which the prices of commodities have been sustained. Thus reports from trade centres are apparently conflicting, but it is evident that the country is facing a period of reaction unless conditions abroad change materially.

The following figures illustrate the expansion which has taken place in the value of the trade of the country during the past four years:—

11 months ending	Imports	Exports Including Re-exports
November 1910.....	£609,359,309	£487,065,186
" 1911.....	615,674,630	509,751,531
" 1912.....	670,883,764	548,570,962
" 1913.....	697,931,963	582,061,691

The above figures do not include imports and exports of gold and silver bullion. The greater part of these increases has been due to the advance in the prices of raw materials. The index number as published by the "Economist" indicates that a reaction has set in, but there appears to be no immediate prospect of any important reduction until the chief raw materials are produced in more abundance. The following table of index numbers should prove of great interest:—

Average for 1901-5.....	2200
" 1911.....	2550
" 1912.....	2713
1st quarter of 1913.....	2722
2nd " 1913.....	2697
3rd " 1913.....	2699
October 1913.....	2684

The continuous advance in the value of the trade of the country is reflected in the Joint Stock Clearing Bank returns of this city, and while the figures do not represent the total amount of banking capital employed in caring for the financial interests of the country, yet they are some

indication of the growth of business and are sufficiently interesting to warrant examination. The lack of uniformity in the date of compiling the returns and the absence of reports from many important Country, Scotch and Irish Banks should, however, be borne in mind:—

		Deposits, etc.	Acceptances, etc.
October	1905.....	£374,647,984	£21,631,309
"	1910.....	477,788,937	28,871,388
"	1911.....	504,483,204	29,630,017
"	1912.....	525,750,595	38,179,184
"	1913.....	542,985,819	37,737,780
		Cash in hand, etc.	Cash at call, etc.
October	1905.....	£58,296,834	£51,462,659
"	1910.....	72,724,714	60,104,560
"	1911.....	77,311,294	64,653,215
"	1912.....	80,292,339	70,650,871
"	1913.....	83,969,012	66,005,052

The Bankers Clearing House returns continue to reflect the increased volume of trade transacted during the year, as will be noted from the following:—

1910 (year).....	£14,658,863,000
1911 (year).....	14,613,877,000
1912 (year).....	15,961,773,000
1913 (11 months)	15,225,973,000

The requirements of trade are not the sole cause of the excessive dearness of money during the past year, for in addition to constantly increasing demands from rapidly developing countries for further supplies of capital, the effects of war, revolution and rebellion must also be taken into consideration. Owing to the fact that London is, for all practical purposes, the only free gold market in the world, the burden of supplying all urgent demands is usually centred here. The year opened with a 5% Bank rate, and for the first time in many years the rate has not fallen below 4½%; it is now 5%, and the prospect of an advance to 6% has faced the market on many occasions

during the past two months. Short and call money have usually been obtainable on favourable terms, due to the necessity the banks have been under of keeping their reserves strong, yet there has been no lengthy period of ease and the market rate for discounts has closely approximated the Bank of England rate. Banks and discount houses must have profited accordingly, as may be noted from the following table of average rates:—

	Bank Rate	3 months Bill Rate	Market Rate for Short Money	Bankers' Deposit Rate
1910.....	£3 14 5	£3 3 7	£2 14 9	£2 4 4
1911.....	3 9 4	2 18 5	2 6 8	1 19 4
1912.....	3 15 5	3 12 7	2 19 11	2 5 11
1913 (6 mos. ending June)	4 15 9	4 6 10	3 19 1	3 5 10
1913 (5 mos. ending Nov.)	4 12 9	4 7 5	3 6 3	3 4 0

The high Bank rate, as expected, has had the effect of attracting a larger quantity of gold to this market, for in addition to the usual supplies from South Africa large shipments have arrived from such debtor nations as Brazil and the Argentine. A larger proportion than usual appears to have remained in this country, but owing to secret exports and the action of the Joint Stock Banks in strengthening their cash reserves, the published reserves, namely, the amount of bullion held by the Bank of England, have remained practically stationary. India has taken nearly £10,000,000 of the amount exported during the past ten months and Egypt over £7,000,000, but the most striking features have been the enormous increase in the amounts taken in the same period by Germany and France, over £9,000,000 and £5,000,000 respectively. The German Government early in the year announced their intention to strengthen their gold reserves in 1913, in order to add to their special war chest and build up the country's reserves against a period of complication in foreign politics. In pursuance of this policy, during the

past eleven months over £20,000,000 has been added to that country's stock of gold, which now stands at over £60,000,000. France also during the past year of strain in foreign affairs has felt the necessity for increasing its gold reserve, which accounts for the unusual demand from that quarter, a demand which has not yet ceased and which it is feared may become active again in the near future. The Indian demand continues but it is likely to be somewhat checked owing to the recent banking difficulties and the semi-failure of the monsoon. The ability of that Empire to take gold, however, still remains an increasingly important factor in our market. The recent movement of gold from New York to Canada excited attention here and was followed by a hardening of discount rates, as it was feared that the drain might be diverted to London, or at least that New York might call on this market to replenish its supply. The following figures show the total gold imports and exports for some years past:

	Imports	Exports
1908.....	£46,145,314	£49,969,099
1910.....	57,321,767	50,898,445
1911.....	48,693,753	40,100,540
1912.....	52,688,881	46,938,469
1913 (10 months).....	49,846,369	40,238,692

One of the most noteworthy features of the past year has been the enormous depreciation which has taken place in the prices of all securities. A year ago it was felt that this depreciation had gone as far as it could without precipitating a crisis. In April there was a slight return of confidence due to the prospects of a satisfactory settlement of the Balkan difficulties, but the hopes then created were doomed to disappointment, for in June the downward movement in all prices was renewed with unexampled severity and it has been a constant source of wonder that serious trouble did not follow. A partial recovery occurred during the summer months, to be followed, however, by a further drop to figures

which one can only hope are at their lowest, although the world-wide depreciation of national credit continues and nothing but a rigorous curtailment of expenditure coupled with a return of easy money can improve the present condition of affairs. All Canadian securities naturally have suffered in this general depreciation and their position is not strengthened by the knowledge that many large loans from the same source remain to be marketed. The following figures, taken from the Bankers' Magazine, evidence the fluctuations which have taken place in the quoted value of 387 representative securities:—

December 1909.....	£3,711,000,000
December 1911.....	3,611,000,000
December 1912.....	3,527,000,000
July 1913.....	3,386,000,000
September 1913.....	3,436,000,000
November 1913.....	3,364,000,000

Despite the tightness of money and the generally unfavourable conditions of the stock market the demand for fresh capital has remained unabated, and in the endeavour to attract investors, more and more favourable terms have had to be conceded. Many belated borrowers who had either to fund their short dated obligations or submit to onerous conditions to obtain a renewal, have, in their necessity, been compelled to grant terms which would not have been considered a year ago. The whole appearance of the market leads to the belief that this centre has over-loaned itself and that no recuperation is likely to occur until capital again accumulates in some volume. This may in a large measure be brought about by a curtailment of issues, and by the slackening of trade. Until this has been accomplished it would be well if all Governments, public bodies and others would as far as possible confine their requirements solely to those objects which are absolutely essential to the well-being of the communities over which they rule.

The following statement, showing the destination of the capital subscribed in the United Kingdom during the periods mentioned, has been furnished by the "Statist":—

	11 months to Nov. 30, 1913	Year 1912	Year 1911
United Kingdom....	£43,126,872	£51,294,436	£32,244,037
India and Ceylon....	3,729,909	4,391,320	5,278,488
Canada.....	55,014,780	37,400,488	36,793,419
British Possessions...	28,152,300	22,615,561	18,860,487
Foreign Countries...	93,426,828	95,635,175	103,040,061
	<u>£223,450,689</u>	<u>£211,336,980</u>	<u>£196,216,492</u>

It will be observed that, despite the many adverse conditions during the past eleven months, as much capital has been raised as during the previous twelve months, and it will not be surprising if 1913 should prove to be a record year. Canada certainly has created a record in spite of the many unfounded rumours of financial difficulty in that country prevalent here for some months past, but this capital has been raised at greater cost than in previous years, and it is plain that borrowers must be willing either to grant more favourable terms or to curtail their requirements. So vast a creation of new securities during this year of alarms and semi-panics has not been accomplished without placing a severe strain upon this centre, and the burden has been assumed because the market recognized that absolute necessity compelled many to sell their securities. The public has been reluctant to invest, and this accounts for so large a proportion of the majority of issues being left on the underwriters' hands, and the depreciation which has so often followed has not encouraged them to support further loans. A noteworthy feature of the marketing of securities has been the short date borrowings on the part of many governments, railroads and others, not only enabling investors to secure a handsome interest yield but assuring them of a return of their capital intact in a few years time.

At the moment of writing the outlook for those with securities to sell is none too cheerful, for there appears every reason to anticipate a continuance of dear money so long as the foreign demand for gold remains unsatisfied, and an enormous amount of floating debt, both here and on the continent, requires to be funded. On the other hand, trade has been prosperous and large profits have been made, and with any reduction in the volume of business large sums may very soon be diverted to the security market to take advantage of the many opportunities now offering of securing sound investments on terms which were unheard of a year or two ago.

